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JPRS Report

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GERMAN DEMOCRATIC REPUBLIC

Leipzig-Area Party Changes Work Style

90EG0043A Leipzig LEIPZIGER VOLKSZEITUNG in German 27 Oct 89 p 3

[Rudi Roehrer report: "Test Results"]

[Text] Last week, during a round of discussions with Helmut Hackenberg, author Hans Pfeiffer, SED [Socialist Unity Party of Germany] bezirk directorate member, also expressed his dissatisfaction with the content and direction of most meetings of this select party committee: "Prepared monologues about our successes instead of argumentative discussion about doing better."

Some 5 days later, during the SED bezirk directorate's meeting, it was possible, so to speak, to make the acid test. Result: a concentrated 50-minute report, 14 requests to speak, not one single comrade read his speech and there was an opportunity to ask members of the secretariat questions. Generous use was made of this. A few excerpts follow.

Question: Why were Politburo members Guenter Mittag and Joachim Herrmann relieved of their duties?

Answer by Comrade Hackenberg: At the ninth meeting of the Central Committee it was stated that this was because of failure to fulfill the tasks in their spheres of responsibility.

Question: Many comrades as well as other citizens believe that our willingness to welcome back former GDR citizens who want to return is incomprehensible. They fear that these people will even be "excessively pampered"?

Answer from Rolf Opitz: Their displeasure is understandable because those who took off knew what they were doing and what possibly awaited them over there. But we should also appreciate our government's extended hand which offers an opportunity to those individuals who have sincere regrets and want to begin anew. In contrast to Karl-Eduard von Schnitzler, I am sorry for many people who left us. At present the government is preparing implementation regulations for returnees. I personally believe that they should not have any claim to their former apartment and their former job.

Jochen Pommert added: All citizens are equal before the law. And yet there will be people whom we will not take back.

Question: Is it not possible to mitigate problems with work forces, mainly in important service sectors, by making increased use, for example, of Vietnamese citizens?

Answer: There are deliberations of that kind which we hope will result in concrete agreements. But, as Jochen Pommert emphasized, the current practice is not effective enough. At great economic and other cost we train foreign citizens to be skilled workers and after 4 years

they leave us. We should make them and their families at home here for 10, 12, or 15 years. Then the effect would be more productive for us.

Question: How is Horst Schumann?

Answer: At the end of May our first secretary had a complicated operation for an intestinal obstruction. To date the doctors have not been able to consent to his resuming his activities, but now they will give their final answer.

Question: What is happening with the recommendations which are now being specifically proposed in broad dialogue to respond to territorial requirements?

Answers which cluster around the following considerations:

Achim Prag referred to the groups which were formed by the city council to address the priority sets of topics of the dialog in which all interested citizens can participate in varying ways. (LVZ [LEIPZIGER VOLKSZEITUNG] carried a report on this.)

Jochen Pommert suggested creating a group of expert members and bezirk directorate candidate members which, building on the ideas and suggestions in the dialogue, will suggest starting points for bezirk-specific key issues and emphases in the new 5-year plan.

And in this connection Helmut Hackenberg named the priority "columns": building, supply, environment.

The upshot after 3 hours of exchanging opinions and controversy: Things must continue along these same lines.

Major Daily Discusses SED Reform

90EG0048A East Berlin NEUES DEUTSCHLAND in German 4-5 Nov 89 p 9

[Article by Rolf Reissig, Frank Berg, and Peter Zotl, staff members at the Institute for Scientific Socialism of the Academy for Social Sciences: "On the Renewal of Socialist Democracy"]

[Text] With the following contribution we want to open for discussion some positions for far reaching changes in the political system developed over a protracted period of time and some questions about renewal of social democracy. Of course, much of what must be more precisely worked out and more thoroughly analyzed in a joint dialogue can only be summarized here and some things can only be implied.

The German Democratic Republic is in the midst of the most difficult phase of its development until now, facing the most fundamental transformation and renewal of socialism. The existing political system has shown itself incapable of demonstrating a timely escape from amassed problems in this situation and pointing the way to renewal. We are simultaneously dealing with a democratic awakening unknown till now that primarily originated outside our political system and especially outside the political leadership of our country which has now

embraced our entire party, affiliated parties, social organizations, new political groups, and our entire society. This is a great chance for a fundamental renewal of socialism. It cannot be denied that the form of socialism in the GDR has effectuated valuable democratic achievements, experiences, and values based on the power of the workers and farmers. They create the foundations for the necessary renewal.

A common learning process which may not forego proven entities but which must thoroughly transcend and get to the bottom of the reasons for the insufficient innovative capability of the SED [Socialist Unity Party of Germany] and of the overall political system is necessary. Experience shows that we require structural mechanisms in the political system, in the State, in the parties, and organizations that make political innovations possible not only as a result of painful and critical developments but which are constantly oriented toward and based thereon.

The development of a living democracy in the GDR today must primarily account for the reality that manifold and diverse interests exist in socialism. This diversity of interests was, in fact, theoretically recognized in the past but hardly found a practical corollary in the *modus operandi* of the political system. In addition to the existing unanimity regarding the basis and values of socialism between the different parties and organizations in our political system, we must also recognize the conflict of interest and view the resulting search for consensus and the balancing of interests as elements of politics in socialism and gear the reform of the political system toward it.

Unifying Bond: Goals and Values of Socialism

We welcome the development of the specific, independent profile of the parties that have linked into a firm alliance in a democratic block with the SED. We support the constructive efforts of the other social organizations in our country to give themselves more pull in finding and realizing specific interests.

The goals and values of socialism are the unifying bond in this context. Activation and reformation of cooperation with equal rights in the democratic block and the National Front is an urgent necessity.

At the same time, the political system in the GDR has not completed its development. It should create more room for dynamics, for change and also for the realization of newly developing spontaneous, temporal, and spatially limited interests. In spite of the existing multiplicity of democratic forums, structural changes and new structures in the political systems should become necessary when a stable social need is demonstrated and the acceptance of social responsibility for the development of socialism is not rejected. Dialogue and cooperation with those of other opinion, with informal groups and those groups that call themselves oppositional is a great challenge for the effectiveness of the National Front to accept diverse citizen's initiatives and to hold itself out

as an accepting and living forum among long term, existing political organization forms. The basis for this is the constitution of the GDR.

The authority of the National Front must be increased. We consider its existence—including its adaptation to the requirements of our time—an essential element for creating societal consensus now and especially in difficult times.

Public opinion for the formation of political goals and control of political activity has assumed a completely new significance. The development of a broad public can preclude failing to govern in the interest of the people. Openness is also part of socialism in the GDR. Public dialogue with everyone and public discussion regarding all social problems is indispensable. However, diverse exchanges of opinion are not the goal *per se*. Constructive discussion in our country should serve the purpose of finding the best solutions for the development of socialism and acting jointly. Public matters require democratic discussion of all social groups and joint action. Discussion of constructive alternatives of forms of socialism is included here. Social democracy requires a broad based formulation of objectives process that is based on the plurality of different opinions; if you will: a socialist pluralism of opinions. The concern here is the exchange of thoughts, the introduction of competence, expertise, the search for consensus and balancing of interests but also control of responsible persons. Discussions should end up in active performance for socialism and the well-being of all citizens. Only then do they fulfill their purpose.

A Culture of Political Strife

The mass media has a special responsibility in the formulation of objectives process. A quality of information that actually effectuates social conceptualization processes is required. Comprehensive and truthful information about all fundamental social development processes are a necessary requirement for this. The media should be under state supervision and their independence should be safeguarded. All journalists should actively affect the renewal of our society with their knowledge and experience as the citizens are already experiencing now in such a pleasant way in many areas. The development of a culture of political contention in our society on the basis of the constitution is necessary. In general, a far reaching and comprehensive process for development of a political culture of socialism is to be introduced. The concern here is the behavior of the citizens as well as that of the state organs in their dealings with one another; honesty, tolerance, objectivity, and conception of objectives. A grasp of what is and what is not achievable is at stake. Willingness to accept responsibility and to observe majority resolutions but also to lodge appeals that lead to new solutions. In other words, the concern is a new political behavior pattern. A political culture that only administered its view of socialism from the top to the bottom must be annihilated. The same applies to the practice in which linguistic stereotypes and the direction of thought one could ponder or

continue to contemplate and how societal problems should be considered were dictated. But we have no illusions. A new political culture cannot be developed so quickly; it is a complicated, long-term learning and experience process.

The potential and mechanisms in our political system are insufficiently developed for generally and comprehensively incorporating citizens as political subjects in the decisionmaking process of the state, economy, and society. The citizens must be more effectively incorporated into all phases of societal organization—primarily into the decisionmaking process.

The citizens should better experience the process of preparation, execution, and supervision of decisions and predominately take part in it. This applies to factories, collectives, and territories as well as society in general. Democratic decision preparation acquires special importance here. This also means providing alternatives in the forefront of decisions, conducting public variant and problem discussions, and practicing and popularizing possibilities of a consensus. We will make decisive advances in this question only when principle modifications in the conditional structure and in structural mechanisms that lead to decisionmaking are carried out in parliaments, work collectives, the territories, and political organizations.

For example, the creation of clear obligations for the democratic organization of decisionmaking processes by administrative and procedural regulation is required in our view. The expansion and/or redetermination of the competence of societal groups and organizations with regard to their rights to participate in the preparation of state decisions appears necessary. In addition, we advocate conducting broad-based popular discussions to prepare decisions of especial societal magnitude once again.

We view the following as principles of social democracy that should form the decisionmaking process:

- Submission of alternatives in the forefront of decisions and other discussions;
- Commonality of the formation of objectives and decisionmaking process;
- Reconstructibility and experienceability of decisionmaking processes by the individual;
- Formation of consensus and/or majority decision (in place of formal unanimity).

A qualitative renewal of socialism in the GDR is only possible if our state is comprehensively expanded to a constitutionally governed socialist state. In our view, the following paths of a constitutionally governed socialist state formation must continue to be developed in the GDR:

1. Comprehensive legal guarantees of all basic and/or human rights in their unity and mutual dependence. The overall policy of the socialist state is to be adapted to the protection, the comprehensive realization and continued development of these rights. Basic rights must be developed as subjective rights. In this context, our attention is

especially directed to the expansion of political and civil rights currently. A political culture in society is necessary with the dignity and freedom of each person and the development of the human personality in the focal point.

2. Society is to be consecutively organized on the basis of rights, which means primacy of law in all areas of societal life and strict commitment of all state organs, parties, societal institutions and all citizens to the law. Legal equality of all citizens must be guaranteed without limitation. Monitoring of the constitutionality of all legal norms and their constitutional materialization must be created. The concern here is the utilization of the rights of the Constitutional and Legal Committee of the People's Chamber. A discussion of norm supervision by a Constitutional Court should be initiated. For example, conception of an alliance law, mass media law, thorough testing and reworking of the electoral law as well as the Penal Code and the Code of Criminal Procedure is necessary. The conception of new legal bases of a civilian alternative service for conscientious objectors and the expansion of judicial verifiability of administrative decisions should be discussed.

3. Clear responsibility based on division of work in State execution of power by the Executive, Legislative, and Judicial Branch while maintaining the preeminence of parliament on all levels and the accountability of the executive organs to the parliaments. The fundamental concern is the increase of societal effectiveness and the expansion of parliamentary competence as working organizations, the elevation of the authority of their representatives on all levels and the consistent assertion of the principle of unity of resolution formulation, execution, and monitoring. The realization of the principle of deciding all questions by the parliaments that exclusively belong to their competence is to be consistently safeguarded. This requires the state apparatus to strictly orient itself to carrying out resolutions formulated by the parliament. Discussions regarding an ongoing, judicially regulated economic power of the parliaments are to be continued. Exact determinations in this context are to be made.

Leading Role of the SED—No Privilege, but an Obligation

The SED—that is the strength of the 2.3 million communists in our country. Without the SED there would be no GDR, no socialist state of workers, farmers and all working individuals and no chance for renewal of socialism. The Marxist-Leninist Party can derive its legitimization as a politically leading party only from the representation of fundamental interests of the working class and the entire people of the GDR. The continued expansion of democratic forms of its legitimization as a political leadership force in the state and society is necessary. The constitutional principle of the leadership role of the SED is no privilege, but an obligation to pinpoint everything progressive in society, to utilize it for the development of socialism and to put itself in the precursor position of social renewal by force of example.

What gives rise to this need for renewal required in our party?

In our view, it results from surmounting leadership deficiencies and their causes and from the necessary achievement of trust and from new challenges to the development of socialism. The renewal of the party and the renewal of socialism in the GDR firmly merge with each other in mastering these tasks. This procedure requires a strong SED capable of action and pervaded with a new, democratic self-confidence as the decisive embodiment of the goals and values of socialism.

A flexible reaction to the constantly changing conditions of socialism and a democratic conception of the formation of strategy process as an expression of the will of the communists formed from the bottom up is indispensable. A reconception of the relationship of science and politics is necessary. Science can only fulfill its responsibility to politics when it achieves greater independence from politics within the framework of a narrow successive relationship. Science must also formulate alternatives for political decision finding and simultaneously open them to public discussion.

A disentanglement of party and state creating new possibilities for the democratization of decisionmaking, unification of responsibility, and competence as well the necessary societal control is required. Decisions of overall societal relevance are to be made in the highest parliament. The political leadership of the SED may not assert itself by direct action in the organizational process of State and Society but rather by:

1. Its substance orienting, strategy formulating effectiveness in Society.
2. Its ideological, political orientation and mobilization of the working population.
3. Striving for majorities in the population and in the parliaments to be elected and by constructive activity of communists in all sectors of the state and mass organizations.
4. By its cooperation with equal rights with the other parties of the democratic block. A party law—on the foundation of socialist goals and values—should create judicial clarity regarding the relationship of parties, state and society.

Revising Time, Statute, and the Party Program

Dependable guarantees must be created for the renewal of intraparty life:

- Clear political-strategical, theoretical, and ideological orientation of the party to the renewal of society;
- The fostering of open and creative opinion discord on all levels;
- Expansion of activity leeway for independent initiative and activity of all elementary, district, and regional organizations in the framework of centrally made resolutions;

- Enhancement of the role of basic organizations for the development of the overall party will;
- Priority of party conventions and party conferences of all elected leaders toward the staff of the full-time party apparatus;
- Increased publicity of formulated resolutions on all levels;
- Guarantee of a regular renewal of leading party organs through establishment of time limitations for functionaries;
- Open development of individual personality characteristics by leading party functionaries;
- Abolition of privileges;
- Realization of the performance principle for full-time party workers;
- Achievement of a productive mutual relationship between science and politics for all aspects of party work.

In our view, the time has arrived to revise the program and statute of the SED.

Our authors are employed at the Institut fuer Wissenschaftlichen Sozialismus der Akademie fuer Gesellschaftswissenschaften beim ZK der SED [Institute for Academic Socialism of the Academy for Social Sciences at the SED Central Committee].

Daily Editor Announces New Media Policy

90EG0054A Suhl *FREIES WORT* in German
24 Oct 89 p 2

[Statement by Helmut Linke, editor in chief of *FREIES WORT*, on behalf of the collective of all *FREIES WORT* journalists: "FREIES WORT to Its Readers"]

[Text] Our country is astir. Many questions are being discussed. All those to whom it matters that our life in socialism will be improved also discuss above all how the tasks are to be tackled, conscientiously and with the feeling of their own great responsibility. In this connection we journalists are also reminded of our duty and are well aware of these facts.

What manifests itself these days is bottled-up discontent. Socialism and the actual life in our German Democratic Republic have clashed, hard, mercilessly and quite painfully. Do we have to admit that the situation has not been realistically enough assessed? Do we have to admit "plan" has been mistaken for "actual achievement"? Do we have to admit that those "on top" and those "on the bottom" no longer spoke the same language?

All that affects us party journalists no less than every honest, sincere person in our country. Tens of thousands of citizens of our country have migrated to the FRG. The adversary did here the rest. We hear from over there how they have to adjust themselves. We report on that. But now we are also looking for the causes and reasons why they left instead of coming to grips with their present and future in their real fatherland, namely in our German Democratic Republic.

We journalists are not indifferent to when and how demonstrations are carried on in the streets of our big cities.

As the saying goes, much is being criticized. And we, FREIES WORT, too, must be more linked to life, as rightly demanded by the declaration of the Politburo. Egon Krenz in his speech said that we should deal more in public with phenomena that contradict the nature of socialism and our policy. Quite a few letters to the editor ask for a change in the journalistic work in FREIES WORT.

We face all this in the sense that we have to regain greater credibility, which in the past had often suffered due to the one-sidedness of the information, missing information or dealing with problems too late. Often matters were smoothed over where talking them out would have been better. At times conditions worthy of criticism were not named with the vehemence and candor that they would have deserved under the pretext that the adversary could misuse that for his attacks against socialism. (Incidentally, he will not stop anyhow—either way—to bury the undisputed values of our life under a flood of hypocrisy, slander, and abuse.) But the stroke of a pen will not make us a newspaper linked to life that has been changed in every respect—and that is what is especially involved.

At present many accusations are being made, in most cases rightly so, and some of them not yet with the necessary good sense. We could bring up in the debate that a boring, meaningless meeting at no time can be described and shown as interesting and stimulating by FREIES WORT. Not yesterday and definitely not today. We could ask you to consider that we were able to crusade too little with the pen of criticism only because they had been allergic to criticism much too long in our bezirk, too. We could also say that insensitivity, indolence, and bureaucratism in many areas of life were 10 times as strong as we journalists and our journalistic courage.

But making accusations alone does not do much for us. Nobody. Neither we nor the living socialist development which all of us need and want, nor our readers. What we need is to do better everywhere, at any rate we are going to do our part.

We want to write and fashion the modern FREIES WORT, linked to life, as the reader expects every day. It must reflect the dialogue as it is in full swing. Above all also—and especially—proposals on questions or our development belong in the columns of our newspaper, as well as the remark that does not immediately lead to the solution of all our problems. Complex facts are to be presented with expert information. Intelligent people will help us as authors in this endeavor. Nothing must be simplified or watered down. Each of our journalists in the good sense of the Wort (word) of FREIES WORT, will have to hold his own.

We want to deal even more impressively with the diligence of all of our working people, even more carefully with their questions and problems. We are going to stick to the time-tested slogan "achievements of the best—

standard for all!" but better understood, more convincing, and not as a noncommittal phrase. Success belongs in the newspaper, but even more the path along which the success has been and is being achieved. The goal and what has been achieved must be placed more in proportion to push forward from the place where a push forward is necessary.

We journalists do not want to be judges of the nation in the future either but social advocates of criticism at any rate. We are going to seek exchange of ideas, and exchange of experience with our readers and we have high hopes for knowledgeable information, constructive suggestions for the solution of the developmental question of our society. We would like to encourage—including ourselves!—to conduct stronger public confrontation of everything that contradicts the nature of socialism.

The columns of our newspaper are open to everyone whose intentions toward socialism are good. But FREIES WORT still has no space for words opposed to socialism whatever color they may be.

To bring our newspaper to this state, that, too, is a process for which we need our own efforts and the help of our readers. That has nothing to do with the proverbial procrastination nor with throwing out the baby with the bathwater.

That is the way we think and that is the way we work. And in this endeavor we need you, our readers.

For the Collective of all Journalists of FREIES WORT
Helmut Linke, editor in chief

HUNGARY

State Mint Workers Quit SZOT Member Union, Go Independent

25000531E Budapest NEPSZAVA in Hungarian
31 Oct 89 p 7

[Article, and interview with Mrs Lajos Kirady, VASAS (Steelworkers) "old" trade union secretary, and various members of the "new" independent union organizing committee, by Andras S. Boda: "Inside and Outside the Movement: Departure With Hope for the Future"]

[Excerpts] A great upheaval ensued at the latest central leadership meeting of the VASAS Union when Mrs Lajos Kirady, a member of the central leadership and secretary of the State Mint trade union committee, announced that at the initiative and with the agreement of 700 members of the enterprise trade union committee an independent union would be formed, and that as of 30 November the 700 signatories will discontinue their membership in the VASAS union. The 700 quitting members of the 600,000 members of the Steel, Metal, and Electrical Energy Industry Workers Trade Union represent only one-one thousandth of the total membership. Nevertheless, the collective decision of 700 people

carries tremendous weight. What happened, and why? I tried to find answers to these two fundamental questions when I asked for an appointment with the "old" trade union secretary and with the provisional organizing committee of the new union. [passage omitted]

[Kirady] This was the only decent thing to do when I had the choice, because the decision to quit VASAS was made by members of the trade union who elected me. It is clear that I had to convey their decision, and since I agreed with them, also I quit and I want to see to it that we have an independent trade union. [passage omitted]

[NEPSZAVA] Do you regard an alliance as inconceivable?

[Kirady] I regard it as inconceivable with VASAS, but desirable with the National Council of Trade Unions [SZOT]. However, VASAS recommends such an alliance, while SZOT prohibits it.

[NEPSZAVA] Did I understand you correctly? Did you say that SZOT prohibits it?

[Kirady] Yes. I inquired personally and was told that we are either members of VASAS or we become a national trade union—these are the only alternatives for having an alliance with SZOT.

[NEPSZAVA] Now you are flirting with a third way, of joining the league.

[Kirady] You could say that. The fact is that we have received the legal opportunity to detach ourselves from the Democratic League of Trade Unions, and I must confess that quite a few of us regularly attend the academy organized by the League's Torch Club, funded by the Soros Foundation. We are attending these meetings because although a spontaneous gathering has begun at the State Mint, we must learn the applicable rules. There is no other place where we can learn those rules. A membership in the League? Suffice it to say that it costs 5 forints per trade union member, and not 40 percent.

[Those present are: Istvan Fulop, plant manager; Laszlo Wiemann, goldsmith; Zoltan Deres, silversmith; Mrs Laszlo Kriston, training specialist; Mrs Krady, trade union secretary; Zsuzsa Czigany, plant management director; Mrs Ferenc Papp, computer technology division head; and Geza Hatosi, goldsmith.]

[NEPSZAVA] Why are you leaving the VASAS trade union?

[Unidentified person] Because we get nothing out of it.

[Unidentified person] Because they are not helping us.

[Unidentified person] Because the apparatus makes only demagogic promises.

[NEPSZAVA] Forgive me, but what you've just said also sounds demagogic.

Confused, they look at each other. And when I asked for specifics, they respond with hesitation.

[Unidentified person] Just figure this out: Our annual dues amount to 1.6 million forints, of this we pay 600,000 forints. Now we have learned about the percentage ratio—how much we pay to VASAS and how much to SZOT, and how much for other purposes. And we also know what we have received after many years: 10 or 12 recreational passes, and as of recently a television set and a tape recorder.

[Unidentified person] You know what? Leave those 600,000 forints with us, and from that we will buy as many passes at cost as we need.

[Unidentified person] We're not talking about money alone. Just think: The people who work here are goldsmiths, silversmiths, and jewelers. Our interests and concerns are different, yet we are represented by the same organization that represents foundry workers and lathe operators. They tried to place us in a subbranch, and thus we have been part of communications and instrumentation technology. At last we would like to be with those who deal with precious metals.

[NEPSZAVA] There is no such thing to my knowledge.

[Unidentified person] Not yet.

They laugh upon hearing the response, because that is the issue. I then learn that once upon a time there was a precious metal workers trade union, perhaps until 1950 or 1952. Its purpose and task was to represent the special interests of people pursuing this kind of work.

[Unidentified person] That's what it's all about. First we want to understand ourselves, then we will try to regain the rank of this special trade, and establish a professional and interest community for specialized artistic workers in various parts of the country.

[NEPSZAVA] What do you want to accomplish in the plant?

[Unidentified person] Decent wages. Distinction based on knowledge, diligence, and talent.

[Unidentified person] We would like industrial achievement and production standards not to apply to artistic work. Can you imagine a situation in which a goldsmith dreams up decorations while someone is counting the norm? Because that is what's taking place here.

[NEPSZAVA] Forgive me, but this is a general trade union function, in regard to which it is not essential whether you belong to VASAS or to some other union.

[Unidentified person] Well, that's it.

[NEPSZAVA] But you've quit VASAS.

[Unidentified person] We did.

[NEPSZAVA] Well then the issue is that with or without cause you want to sever your relations with VASAS. Is that so? [passage omitted]

[Unidentified person] Yes.

[passage omitted] Recently SZOT Executive Secretary Sandor Nagy evaluated and qualified the establishment of new, independent trade unions a number of times. He said: Independent trade unions, just as in certain cases the workers councils that are being formed in different contexts, at all levels represent a critique of the workings of trade union officials. [passage omitted]

[NEPSZAVA] And how about solidarity? [passage omitted]

[Unidentified person] We do not want a private trade union. We will join any movement that represents universal interests. We do not want to exclude ourselves from the movement.

I accept and believe the truth of the answer. Deeds will provide proof. For the time being, 700 organized workers of the State Mint have no opportunity to join SZOT. On the other hand, the League welcomes them.

Opposition Roundtable Declared Obsolete

90EC0139B Budapest MAGYAR HIRLAP in Hungarian 17 Nov 89 p 8

[MTI Report: "Six Parties and the Association of Political Prisoners Claim: The Opposition Roundtable Has Fulfilled Its Role; Joint Action of Historic Significance"]

[Text] "Thus far the so-called Opposition Roundtable has fulfilled its role. Its continued existence would hinder the social consensus"; this is according to a joint statement issued by six parties and the Association of Hungarian Political Prisoners.

The fact that the Opposition Roundtable can be dissolved only by those who have participated in its workings is natural, according to the signatories to the document. They include the Independent Smallholders, the Agricultural Workers and Bourgeois Party, the Hungarian Independence Party, the Independent Hungarian Democratic Party, the Hungarian People's Party, the Social Democratic Party, the Social Democratic Party of Hungary, and the Association of Hungarian Political Prisoners. These organizations also believe that it is indispensable and necessary that any negotiation held after 26 November regarding any matter affecting the populace should be between the government and the opposition organizations, but only those opposition organizations which already function as parties or have announced their intent to become parties by a given deadline.

Reporting on the document, Independent Hungarian Democratic Party Spokesman Gyula Kovar, speaking for

and on behalf of the signatories, told MTI [Hungarian Telegraph Agency] that the position has been conveyed to Matyas Szuros, the provisional president of the Hungarian Republic, with a request that the person presently serving in the highest post provided for by public law inform all affected parties.

The spokesman regarded the joint action taken by the six parties and the Political Prisoners Association as having historic significance, because in his view the organizations were able to set aside real or perceived grievances and distrust of each other. In his view, unity among the six organizations enhances the thus far talked about but not realized national consensus, not only in words but also in deeds.

Kulcsar Notes Swiss Interest in Democratization

90EC0138B Budapest MAGYAR HIRLAP in Hungarian 20 Nov 89 p 7

[Interview with Justice Minister Kalman Kulcsar by "stepan," 19 Nov 89 at Budapest Ferihegy Airport]

[Text] Justice Minister Dr Kalman Kulcsar arrived yesterday at Ferihegy Airport from Bern, aboard MALEV's scheduled flight originating in Zurich. We asked him in the airport Government Lounge to comment on his trip to Switzerland.

[MAGYAR HIRLAP] What can you tell our readers about your official visit to Bern?

[Kulcsar] Never before has a Hungarian justice minister been invited to Switzerland. I was invited for negotiations by Arnold Koller, the Swiss justice and police minister. This invitation may be attributed to the changes that are taking place in Hungary, and not so much to me personally. The minister, as well as representatives I had a chance to meet with, expressed their view several times that the ongoing domestic policy changes in Hungary are of historic proportion. I was attending the Hague meeting of the Council on Europe where I had an opportunity to speak. This may also have contributed to my being invited. The Swiss politicians I met manifested unusual courtesy. The mood that prevailed during the discussions may be best characterized by the fact that Minister Koller accepted our invitation and will pay a visit to Hungary. But due to the peculiar construction of the Swiss constitution, beginning on 1 January he will become Switzerland's head of state for a year, and therefore his visit will have to wait until after his term expires. A peculiar Swiss feature is that the public does not appreciate the idea of heads of state paying visits abroad. For this reason, such visits occur only in the rarest of instances, only if the head of state must sign an extremely important, multilateral agreement. A year later, however, Mr Koller will once again be serving as minister of justice, and that is when he will visit Hungary.

[MAGYAR HIRLAP] Rumors are that you prepared several agreements concerning legal assistance in the

course of your trip to Switzerland. Which agreements are involved, and what progress did you make in the course of negotiations?

[Kulcsar] At this time signing the agreements would have been out of the question. We were dealing with four agreements which we will formalize by way of correspondence. The experts may begin to draft the agreements so that we may sign these as soon as possible. The primary topic of our discussions with the justice and police minister was the abolition of the need for visas. My Swiss colleague and I agreed that at the moment it seems that the need to obtain a visa in service and diplomatic passports could be discontinued. Each year a large number of refugees arrive in Switzerland and this causes all kinds of internal tension. This is why the idea of a general abolition of visa requirements would present many problems for the time being. In addition to this topic, the Swiss justice and police minister and I discussed two legal assistance agreements. Both of these are in force at present. Both were ratified by representatives of the two countries toward the end of the 19th Century, thus both agreements are rather obsolete. Now we must examine how to modernize these agreements.

[MAGYAR HIRLAP] Which specific agreements are involved?

[Kulcsar] One pertains to criminal law, the other to civil law. In the latter it is mainly the domestic relations provisions which have become obsolete. In general, we would like to see an agreement similar to the ones we reached with Western countries during the past few years. Actually, our third discussion topic is most important, but that is the one of which I can say the least. This is because for the time being we have reached an agreement only in principle. Citizenship matters are at issue, and these matters are laden with problems in Switzerland. At issue is the situation of Hungarian citizens residing in Switzerland.

[MAGYAR HIRLAP] How many Hungarian citizens reside in Switzerland?

[Kulcsar] I am unable to provide you with accurate figures, but we are talking about approximately 10,000 people. Most of them went to Switzerland after 1956. Their situation is rather delicate, because if they come home to Hungary their return to Switzerland may become questionable because under certain circumstances they may have lost their citizenship. Well, this is that questionable situation which must be resolved by way of a joint agreement.

[MAGYAR HIRLAP] How much interest is manifested toward Hungary in Switzerland?

[Kulcsar] My negotiating partner is a member of the Christian Democratic Party. He asked me to make a presentation to the Christian Democratic faction of the Swiss Parliament. The questions that were asked following the presentation convinced me that the representatives understand the essence of the Hungarian

domestic policy changes, that they are observing us, and that they are interested in our political developments. There are many businessmen among the representatives of the Christian Democratic faction. They were primarily interested in rules applicable to capital investment.

Dispute Over Qualifications for Constitutional Court

90EC0139C Budapest MAGYAR HIRLAP in
Hungarian 17 Nov 89 p 8

[Article: "Miklos Raft Removes Himself From Contention; Who May Become a Constitutional Court Judge?"]

[Text] Yesterday's dispute over legal interpretation before the National Assembly committee on law, administration, and the judiciary concerned the person of Miklos Raft. Raft removed himself from contention as a nominee for judge on the Constitutional Law Court; at the same time, however, the matter of how to interpret Paragraph 5.(2) of the constitution remains an open question.

Justice Minister Kalman Kulcsar and Supreme Court Chairman Jeno Szilbereky expressed their views in this regard. The two viewpoints differ. The Minister of Justice understands the provision to mean that state administration specialists cannot be nominated to the Court. In contrast, the chairman of the Supreme Court believes that along with judges, prosecutors, attorneys, and legal counsels, persons performing basic legal functions can also be nominated.

Raft removed himself from contention because it was his person that evoked the dispute, even though he feels that it is unfair that a person could be disqualified as a member of this prestigious body on the basis of a legal formality.

The committee confirmed the nominations of Geza Kilenyi, Pal Solt, Laszlo Solyom, and Janos Zilinszky.

The committee also discussed legal provisions concerning stringent custody. Members of the committee determined that this provision must not be applied to repeat offenders. Accordingly, this penalty must be discontinued; at the same time, however, means and methods must be established to protect society from persons who elect to pursue a criminal lifestyle.

In recent times the National Assembly has had to patch up the Criminal Code of Law in one way or another. Representative Csaba Kereszti expressed his view that the entire penal system is in need of comprehensive review, because amendments to individual sections of the Code may disturb the logic of the Criminal Code as a whole. Pal Fillo supported this idea. In his view the public feels that criminals are increasingly unobstructed in their activities because every amendment to the law relaxes existing provisions.

The need to discuss the law concerning dues and fees arose in conjunction with amendments to legal provisions pertaining to passports and to emigration and immigration. In the Committee's view the fee for issuing a passport should be established at 500 forints; 200 forints should be collected when a citizen announces his intent to emigrate, 800 forints at the time such intent is recorded, 1,000 forints when action to immigrate is initiated, and 500 forints when an extension of the validity of a permit is sought.

A heated debate ensued thereafter regarding rules concerning dues and fees and the proposed tax law, with respect to guidelines concerning next year's budget and the 3-year government program. A committee vote on these matters was postponed and the committee will resume its work on Friday.

Corruption Alleged at State Television

90EC0123A Budapest *MAGYAR HIRLAP* in
Hungarian 8 Nov 89 pp 1, 7

[Interview with Ildiko Magyar, head of the Hungarian Television's Business and Commercial Secretariat, by Tibor Franka: "Many Hundreds of Thousands Embezzled at the Television"]

[Text] Yesterday in the early evening, Ildiko Magyar, head of the Hungarian Television's Business and Commercial Secretariat, stopped by our editorial offices to ask whether we were aware of the extent of fraudulent conduct at the Hungarian Television. She said that circumstances forced her to publicize all the irregularities and abuses that take place at her office.

[Magyar] It is perhaps an unparalleled situation that my boss, Mrs Gyula Sandor, who serves simultaneously as director of Business Management, director of Commercial Management, and chief accountant, hired me 6 months ago to become her right hand, based on my higher education and knowledge of languages. In contrast to this prospect, my most important work involved the conduct of her own propaganda and entertainment functions. I was stunned to find that no expense vouchers were to be completed for consumable supplies, and I never saw a list of names of those who allegedly received the gifts. For example, the head of the Finnish television received a backpack, and Erzsebet Speter received 42 light music records. I believe that these people will learn that they are supposed to receive these gifts from the newspaper, if they read *MAGYAR HIRLAP*.

[*MAGYAR HIRLAP*] But these items do not amount to a hundred thousand forints....

[Magyar] I'll tell you about that too. My boss made us purchase hard salami, champagne, sausages, wines, nuts, and sweets worth 100,000 forints to be used at the Cannes festival, because, as she said, she wanted to serve paprikas potato to the leaders of international television. So far, so good, except for the fact that instead of

shipping these goods to Cannes, they were delivered at my boss' home. At the same time, quite naturally, they also picked up a large amount of foreign exchange for a similar purpose. You may understand why I became embarrassed when she charged even her household cotton balls to the expense account. So, when she returned from Cannes, I told her that we could no longer work together.

[*MAGYAR HIRLAP*] I would guess she did not insist on your staying either, because you discovered all of her questionable affairs.

[Magyar] That's right, so much so that she initiated investigative proceedings against me. A few days later I appeared at her office with a lawyer. I asked her to put in writing that I stole all those things that did not arrive at Cannes. As a matter of explanation I told her that the only way I could go to the labor affairs court or to the police was if I had her written statement to the effect that I had stolen something, or committed fraud or embezzlement. At that point she retreated, of course, saying that nothing had happened, and that I did not have to leave the job. But by then I had had enough of the whole thing, because no person in his right mind would remain associated with this kind of scandal.

[*MAGYAR HIRLAP*] Did she sense that even greater trouble was coming?

[Magyar] It's possible, because the auditors had already found my signature on several hundreds of thousands of forints worth of bills. Someone put my name there, after all there were some fraudulent invoices, and some I had never seen. Since she was the business and commercial director and well as chief accountant; quite often Mrs Sandor appropriated money to herself. The latest amount was 68,000 forints, and our chairman, Bereczky knows about it. She is using the official car, but she also leases another car, true, she has done that only since construction began at her house. She has accepted many 10,000-forint fees as an expert, and the fees were hidden as part of production costs.

[*MAGYAR HIRLAP*] Could we assume then that she did not do all this by herself?

[Magyar] Yes. A huge mafia operates at the television. It includes production managers, well-known directors, and even the president. It even includes several high ranking subordinates of the president. Each month they receive large amounts in the form of rewards.

[*MAGYAR HIRLAP*] Accordingly, the television's economic supreme commander expends at least part of the expense account funds for her personal purposes; in addition she regularly employs experts, who receive expert fees but no one knows for what reason, and she herself dispenses expertise for some heavy tens of thousands of forints, but one cannot tell what that expertise is. Even the chairman's secretary received a dog paid for by funds from the expense account. In addition, she engages in foreign exchange transactions, travels, and

makes others travel. In plain Hungarian, she is wasting, embezzling, if you will, the subscribers' money together with other workers at the Television. That's what you're saying. Can you prove it?

[Magyar] Would I have dared to come to you otherwise? I have invoices, statements, and audio tape recordings.

The journalist, however, has only a single piece of data in his possession in addition to the statement of the brave head of the secretariat: Two months prior to New Year's Eve, 1989, Hungarian Television incurred a loss in excess of 750 million forints.

Vastagh Accused of 'Old Style' Media Control

90EC0139A Budapest *MAGYAR HIRLAP* in
Hungarian 17 Nov 89 p 8

[Article by Gyorgy Andras Lengyel: "Protesting a Protest in Szeged: Two Newspapers Compete in the Background"]

[Text] Stars of ill fate are passing over the ideological secretary of the late Hungarian Socialist Workers Party [MSZMP] Csongrad County Committee these days. In the summer, workers at the Ferenc Mora Museum of Szeged made a sieve out of Janos Koncz' parachute. At one time Koncz was Mihaly Komocsin's right-hand man. Now they are launching a volley along the Tisza River at Koncz' successor, Janos Sebe. At this time, however, it is not museologists who are doing the shooting. It is being done by journalists. The battle scene is made even more colorful by the fact that journalists are shooting at other journalists looking for parachutes, from one floor above.

Sixteen workers at the Szeged based DELMAG-YARORSZAG submitted a written position statement to those in authority. Journalists of the Szeged daily regard "control over the press in Csongrad County and in Szeged as contrary to the Hungarian Socialist Party's [MSZP] stated policy, and akin to the MSZMP's hands-on methods." They protest, because on 14 November the president of the county newspaper publishing enterprise appointed three deputy directors, and the Szeged journalists particularly object to the vice directorship of Janos Sebe. According to the protesting journalists the appointments were made under pressure from Pal Vastagh, the MSZP's national secretary for the countryside.

Incidentally, for the past month Sebe has served as a division director at the Csongrad County HIRLAP. In earlier days, when Mihaly Komocsin and Sandor Szabo were Cesars, Sebe was a division director of the County party committee; then, beginning in September 1988, he became ideological secretary. He is an extremely contradictory personality. Obeying higher command, he was actively involved in the summer 1986 liquidation of the editorial offices of TISZATAJ, just as he was this spring in making the Csongrad Country HIRLAP a more substantial and more readable newspaper. It is probably for this reason that the journalists at DELMAG-YARORSZAG put it in refined terms: "We cannot

identify with either the person of, or the methods used by Janos Sebe." Thereafter our colleagues in Szeged demanded that a competition be announced. The authors of the document launched a determined attack against Istvan Nikolenyi, the editor in chief of the Csongrad County HIRLAP.

Accordingly, it is apparent that much more is at issue on the Tisza shore than a simple "cadre issue." What's behind the suggestion is that Istvan Nikolenyi and Janos Sebe are old friends. At the invitation of the editor in chief—respected and like by many of his colleagues—several journalists transferred from DELMAG-YARORSZAG to the county newspaper, including such nationally known journalists as Dezso Horvath, Miklos Halasz, and Laszlo Domonkos. The once uninteresting, gray, and by all means loyal to local powers county newspaper produced a number of courageous and high standard reports, outspoken and artistically formulated publicisms, and witty commentaries, while the weakened DELMAGYARORSZAG was forced to pursue rear guard struggles. True its number of issues printed is still higher than its competitor's; a fan remains confident even if his favorite team falls behind by several classes....

This is at stake in the struggle: Is it possible for two left-wing socialist newspapers to have a chance in the same county? That war produced more combat yesterday. The journalists at the Csongrad County HIRLAP also issued a written statement. Its title: terror by the minority. Journalists at the county newspaper have this to say: They feel that it is unacceptable that a minority which is increasingly falling behind in competition "terrorizes" the majority. In plain English: 16 journalists at the city newspaper issued a position paper in behalf of 120 workers at the newspaper publishing enterprise. The authors of the position paper indicate that it is in the existential interest of Janos Sebe and of the other two newly appointed deputy directors to perform accurate and considered work.

And incidentally, even after a long search we were unable to find Pal Vastagh. We will not, however, surrender the opportunity to express our views.

POLAND

Peasant Parties Multiply, Laying Claim to Mikolaczky Mantle

90EP0130A Warsaw *PRZEGLAD TYGODNIOWY* in
Polish No 43, 22 Oct 89 p 3

[Article by Piotr Pytlakowski: "The Root of the Peasant Movement"]

[Excerpts] The secretary of the Commission of the Polish Episcopate for Farmers' Pastoral Affairs, Rev Fr Boguslaw Bijak, submits a declaration that there is need for renewal of the activities of the Polish Peasant Party [PSL].

The United Peasant Party [ZSL] announces that it is "reaching the end of its life." The poll taken of its members says that it should be renamed the Polish Peasant Party. The ZSL ideologues call up the figure of Stanislaw Mikolajczyk as their model.

Some ZSL voivodship committees change their name to PSL voivodship committees.

NSZZ Rural Solidarity, as reported by chairman Slisz, is forming a political party called PSL Solidarity.

In mid-August in Wilanow near Warsaw, a PSL Interim Chief Executive Committee was set up. A declaration "regarding renewal of the activities of the Polish Peasant Party" was signed by 130 people, most of them activists in the peasant party during the time of Mikolajczyk.

In the Sejm, deputy Roman Bartoszcze officially announces the formation of a PSL deputies' club, initially consisting of nine members, and ultimately eight deputies from Solidarity and ZSL. This is seen as a split with the OKP [Citizens Parliamentary Club].

A few months earlier, PSL activists formed some small organizations centered around the leaders of the two groups, Henryk Bak and Jozef Telig, now drifting to "Wilanow."

In addition, the All-Poland Committee for the Rebirth of the Peasant Movement—which includes, among others, independent ZSL members Czeslaw Janicki and Aleksander Bentkowski—is working to reactivate PSL.

Here PSL, there PSL. Alliances are being entered into and stands are being taken within the newly formed organizations. Every day brings some kind of change. The so-called green roundtable, organized by ZSL turned out to be unsuccessful. A unification congress will be convened on 8 December by the Wilanow ZSL and in January [day illegible] a ZSL-PSL congress will be held. Solidarity, at present, is not announcing a congress, however it wants to create its own parliamentary force.

The thesis is being advanced that the peasant movement is breaking up. But it is contradicted by the fact that most of the old and new organizations are referring to this same root and are proposing similar programs. It appears that the idol for the 1989 PSL is Stanislaw Mikolajczyk and its guiding principle will be neo-agrarianism. What the essence of the disputes comes down to is who is really entitled to the use of this historical name. [passage omitted]

A discussion is now under way in ZSL on the form of the future peasant party. It seems that the most desirable evolution, from the viewpoint of the activists holding full-time positions, would be a simple renaming operation. Formerly ZSL, now it will be PSL. That is why strenuous efforts are being made to prove that ZSL has been continuing the Mikolajczyk line. The thesis, according to some, is quite risky if we consider that ZSL really was never able to become politically independent. It was a rump organization which remained under the influence and shadow of its older sister, the PZPR.

Numbering half a million members, according to the last estimates, ZSL, through its leaders, says that it has the moral and historical right to consider itself to be the legitimate heir of PSL. To support this right, it cites the fact that many former PSL members were active members of ZSL.

ZSL Supreme Committee secretary, Stanislaw Sliwinski, perceives the situation this way: In ZSL, the so-called party ranks never accepted the actions of the top ranks. Autonomy was demanded, but at that time autonomy could have meant dissolution of the party. Now our members are again spontaneously aiming for autonomy. We want to transform ourselves into a qualitatively new party of a nationwide scope with particular attention to the interests of the countryside.

The congress will decide what the new strategy will be. Secretary Sliwinski is of the opinion that the delegates will have to make a choice: change the name or form a new party. However, according to the secretary, there is no doubt that after the congress the party's philosophy will be much broader and will be guided by an updated Mikolajczyk program based on Christian values.

We regret, says Stanislaw Sliwinski, that so many PSL groups have arisen. Many people with overblown ambitions are forming their own party. They yearn to take over the structure and assets of the ZSL. We are open to a substantive discussion, meanwhile a slanderous discussion is taking place. We are described as being a creature of Stalinism.

The green roundtable brought no results. Consent was not obtained for the leading role of ZSL in the creation of a new peasant party. The ZSL leaders believe that the multiplicity of the existing groups weakens the peasant movement and threatens the interests of the countryside. The question is asked, who has the most to gain in breaking up the unity of the peasants? The answer is self-evident: In addition to the farm lobby, there are others. A strong peasant party would have a chance in the race for authority. Several weak parties representing farmers would lose this chance.

These, for now, are theoretical deliberations. Yet practice shows that even within the ostensibly united ZSL there are divisions. It is difficult, after all, to overlook the fact that, contrary to the statute and seemingly on their own, some ZSL voivodship committees are announcing that henceforth they should be called PSL.

That is precisely what happened in Poznan. The president of the ZSL Supreme Committee himself, Dominik Ludwiczak, was present at the meeting of the voivodship committee. We do not know what the head of the party voted for, but we know that in Poznan a period of dual authority followed.

"We passed a motion to change the name," says Maria Baczowska, instructor in the organization department of the Supreme Committee in Poznan, "but for the congress we use the official name, ZSL. However, within our own organization, a PSL Supreme Committee functions, seemingly independently. The PSL president is

Tadeusz Nowak and the president of ZSL continues to be Marian Krol. We have nothing to do with the 'Wilanow' PSL."

Tadeusz Nowak, secretary of the National Council of PSL until 1947, currently a member of the executive board of the PSL TNKW ("Wilanow" group), peasant activist, who never belonged to ZSL, says: "We are functioning on the PSL principles of 1946 but, for now, within the framework of the ZSL structure. I am serving as president on a volunteer basis and Krol is my full-time paid deputy."

Obviously, things have gotten a little confused. Adding to the confusion, according to Tadeusz Nowak, is the formation of PSL Solidarity. "I do not know where this idea came from," he says, "I can only guess."

PSL TNKW was established on 15 August in Wilanow. Gen Franciszek Kaminski, chief commandant of the Peasants' Battalion and author of the appeal "To Our Peasant Brothers," which was the slogan for the reactivation of the party, was elected honorary president. Stanislaw Laskowski, member of the PSL National Council during the time of Mikolajczyk, was elected first vice president. Hanna Chorazyna, secretary of the PSL Chief Executive Committee abroad, was also elected to a "Wilanow" PSL post.

"We are operating almost throughout the entire country," says Barbara Matus, PSL TNKW secretary. "We want to establish a joint peasant party. Slisz announced the formation of a PSL party called Solidarity and wants to create gmina [rural township] organizations. The farmers say they are on our side. ZSL, on the other hand, has no support from the Church. We are a nationwide party but we are fighting principally for the interests of the countryside. We want to avoid rural-urban rivalry."

Hanna Chorazyna adds: "We are now holding talks with Slisz. After all, in ideology his group is similar to ours."

For the activists of the "Wilanow" PSL, there is no doubt that ZSL is playing a political game. They do not want to take part in it. But how does one explain that some of the activists in "their" PSL are joining the PSL organizations created from the inspiration of ZSL? After all, it is hard to believe that such an experienced politician as Tadeusz Nowak from Poznan would be swayed by ignorance. Possibly such mutual infiltration is the result of nostalgia for a name, and possibly it is a previously established tactic.

There are also a few deputies to the Sejm, from NSZZ Individual Farmers Solidarity, who are active in the "Wilanow" PSL. Most puzzling of all here is the role of deputy Roman Bartoszcze, connected with Individual Farmers Solidarity from the beginning, but still a member of PSL TNKW in Wilanow and not the Slisz group.

It is puzzling because immediately after Jozef Slisz's announcement of the formation of PSL Solidarity,

Roman Bartoszcze proposed the formation of a "Wilanow" PSL deputies' club. This was read as a blow against the Citizens Parliamentary Club. The confusion deepened when deputy Wiktor Kulerski, who after all, also was a member of the "Wilanow" PSL TNKW, came out against the formation of the 8-person club in GAZETA WYBORCZA. He said that the actions of deputy Bartoszcze of PSL "S" were regarded by the other PSL to be shockingly disloyal and under these circumstances further talks on the subject of unification turned out to be impossible. "This matter discredits the party ('Wilanow' PSL—author's note) and is a blow which strikes at the peasant movement and at OKP."

PSL "S" chose another tactic. It formed, within OKP, its own deputies' club, numbering a few dozen deputies, representatives of NSZZ Individual Farmers Solidarity, but subject to OKP.

Jacek Szymanderski, manager of the NSZZ Individual Farmers Solidarity office, says: "PSL 'S' was formed because we felt that solving the problems of the countryside is a nationwide matter. It is impossible to help farmers simply with union instruments. The farmers, the rural intellectuals, the craftsmen in the countryside, and those inhabitants of towns who understand the importance of the problems of the countryside, need a strong party."

Why the name PSL?

"The old PSL's idea was to bring about the existence of an independent political representation of society," says Jacek Szymanderski. "In 1980 our Solidarity fought for the same thing. For this we later sat in prison. Now, when we have won the battle, we feel we have a right to the historical name. The word 'Solidarity' indicates what we evolved from."

According to estimates, PSL "S" has tens of thousands of members, but it is impossible at this time to give a specific number. In the opinion of Solidarity Individual Farmers leaders, the present divisions do not mean that the peasant movement has been split, only its pluralism, and therefore these divisions are not threatening. They believe that ZSL should keep its present name, that taking a new name is only a clever maneuver to gain followers. After all, it is hard to demand that these same people form the cadres of people fighting for socialism, and then for something entirely the opposite.

The political map of peasant movements has become very complex. It is difficult to point to any clear program differences among the individual groups. At present, all parties calling themselves PSL are referring to the traditions of Mikolajczyk and Witos, regard the social teachings of the Church as their creed, and want to represent the interests of the Polish countryside. Some people say that all of these factions represent the same green color, but the shadings are somewhat different.

And so it is believed that ZSL (and in the future, PSL) by the very nature of things, will lean in the direction of socialism. PSL in Wilanow describes itself as a cadre

movement of a small group of oldtimers in the peasant movement, appearing under the protection of those Church circles which would like a party in the countryside which is morally and nationally pure. On the other hand, PSL "S" regards itself to be a liberal-conservative party. The opinion prevails that it is precisely PSL "S" which may become the leader of the group of cyclists in the peasant-movement race. Such a comparison appears to be valid if we agree that the parties are forming in order to take part in the race for authority.

Depoliticization of Courts Viewed

90EP0099A Warsaw GAZETA WYBORCZA in Polish
6-8 Oct 89 p 3

[Interview with Professor Adam Strzembosz, deputy minister of Justice, by Wanda Falkowska: "Courts Without Politics"; date and place not given]

[Text] [GAZETA WYBORCZA] The draft of amendments to the bill regarding common courts is ready and has been sent to the cabinet. In which direction are changes heading?

[Strzembosz] In the direction of making the judiciary independent of administrative authority and the creating of sound guarantees for judicial and court independence. This is expressed in the depoliticization of the administration of justice; the irremovability, in principle, from office of judges; and in the creation of a strong judicial self-government.

[GAZETA WYBORCZA] What do you understand by the depoliticization of courts?

[Strzembosz] Among other things, that the bill no longer declares that the courts are "to stand guard over public law and order." They are simply to administer justice. Political emphasis has also been eliminated from the oaths taken by appointed judges.

[GAZETA WYBORCZA] Will judges be permitted to belong to political parties?

[Strzembosz] Party membership must be suspended for the duration of the fulfillment of judicial duties.

[GAZETA WYBORCZA] The National Judicial Council is to be the highest organ of judicial self-government. What powers will this self-government have?

[Strzembosz] It will receive a number of new powers. Besides nominating candidates for judicial posts, the general assembly of judges will also select candidates for positions of chairman and vice chairman of voivodship courts who will then be appointed by the minister of justice.

[GAZETA WYBORCZA] In other words, to obtain a judge's appointment from the chairman, every judge must, first of all, be elected by his or her own court's general assembly and then by the National Judicial Council?

[Strzembosz] Yes. The chairman may appoint judges only from among candidates nominated in this fashion.

[GAZETA WYBORCZA] Is this procedure also to be expected in the nomination of military judges?

[Strzembosz] There is a certain difference in this case. Admittedly, military judges are also to be appointed by the chairman upon the recommendation of the National Judicial Council. However, candidates will most probably be nominated by the minister of national defense.

[GAZETA WYBORCZA] What will be the role of the minister of defense in the National Council?

[Strzembosz] He will be one of its members with the same rights as others.

[GAZETA WYBORCZA] Currently, however, the minister has many powers in relation to judges and courts in the area of jurisdiction as well.

[Strzembosz] He will have only administrative control of the courts. He will not have any supervisory powers over jurisdiction which could in any way restrict the principle of independence.

[GAZETA WYBORCZA] Should not the public prosecutor's office find its place in the department of the minister of justice?

[Strzembosz] There are many considerations that speak in favor of this but the matter is the subject of analysis and discussion. No decision has been made as yet.

[GAZETA WYBORCZA] What is going to change in the judiciary after the new laws go into effect?

[Strzembosz] Certification of judicial cadres is not anticipated nor are any significant personnel changes. However, changes at the level of court chairmen and vice chairmen will take place because the judicial self-government will, as we have said, nominate candidates. Supreme Court judges will also receive new appointments. Its [Supreme Court] term will be shortened since the National Judicial Council will select a new body. After passing the legislation on the National Judicial Council and prior to the commencement of its activity, the minister of justice will present to the president recommendations for the appointment of judges. This concerns persons who were forced to leave the judicial system because of their convictions or activity and who currently want to return to the judiciary.

ROMANIA

Village 'Systematization' Policy Discussed in FRG Newspaper

90EB0126A Munich SUEDEDEUTSCHE ZEITUNG in German 15 Nov 89 p 11

[Article by Christoph von Marschall: "Sightseeing Trip in Ceausescu's Empire; The Regime Presents Ideal Villages; Romania Wants To Counteract Its Poor International Reputation"]

[Text] "The house was made out of stamped loam. It simply fell apart," the mayor of Lovrin, in the Banat, tells our group of journalists. All that is left of the building in the center of town is the facade, which is held up by the adjacent houses, and several internal walls, some of which are made of brick. The year 1821 stands engraved above the former entrance. No, the mayor says, in his municipality and the surrounding areas there are no instructions from Bucharest to destroy well-preserved private houses and build agro-industrial centers in their place. On the other side of the street as well, he says, where since 1978 three gray 3-story apartment houses with flat roofs have stood amidst the traditional 1-story farmer's houses, there was previously only undeveloped land and one or two collapsed buildings. Nor do the apartment dwellers have to give up growing their own fruits and vegetables; according to the mayor, garden plots have been assigned to them. The only new construction plans in recent times have to do with the thermal baths and the Orthodox church. A hotel must be erected for visitors to the spa, while the church, which was built in 1971, is to be painted by a private artist according to the rules of Orthodox ecclesiastical art, to the tune of four million lei.

As in Lovrin, plans for "systematization" are played down elsewhere as well. There is no doubt about it: Bucharest has gone even more on the defensive and into isolation as a result of press reports and the subsequent outcry about so-called systematization being not village renewal, but rather village destruction. Denmark, Norway, and Portugal no longer have ambassadors in Bucharest. The assertion now being vehemently put forward by officials to the effect that Romania is an independent country that will not be influenced by outside pressure instead impresses the visitor as proof of the contrary. It does not appear to be out of the question that Bucharest, alarmed at reactions in East and West, has cut back on systematization at least in some places.

In the area around Lake Snagov, 30 km north of Bucharest, there appears to be no new havoc wreaked by bulldozers. The picture corresponds to the description provided by reporters 6 months ago: The empty construction sites in Ciofliceni, Ghermanesti, and Snagov have not increased, while the new things are now more easily discernible. This close to the capital, none of the ugly gray 4-story buildings with flat roofs made of concrete slabs—which many East Europeans contemptuously call "Khrushchev slums"—have been slapped together. Here, the facades of the houses, which are also four stories high, are instead structured with wood elements and protruding balconies, topped by a gabled roof. Nestled in between are the traditional 1- or 1-and-1/2-story houses made of stone, loam, and wood; they are painted bright colors, grown over with grapevines or other greenery and surrounded by a garden in which the residents can supplement their meager diet, dictated by the poor supply situation, with fruits and vegetables. There are wells in front of some houses. However, where the houses of Vladiceasca once

stood—according to sources not a village, but rather a hamlet of 10 to 15 scattered, individual houses—there are only fields today.

There is no opportunity to ask whether the village inhabitants prefer the new to the old, or even how things look inside the new buildings. Bucharest residents, whose friends live in externally identical new buildings in the suburb of Otopeni, on the road to the airport, claim that the supposedly better hygienic conditions there exist only on paper. The houses are not hooked up to the sewerage system, they say; the only facilities are privies. Potemkin villages for the dictator?

"We do not expect applause," the head of the press division and spokesman for the Ministry of Foreign Affairs in Bucharest, Constantin Girbea, admits directly to his visitors. Still, he is quite obviously rankled by the fact that Romania has lately turned up in the media only in connection with two subjects: the destruction of towns and its negative attitude towards human rights and environmental questions at CSCE conferences in Vienna and Sofia. Girbea's explanation of this is that "it is in keeping with the trend" to use Romania as a "whipping boy." "Interested circles," meaning neighboring Hungary, launched a campaign some time ago, he said. Apparently, he added, they are jealous because Romania has succeeded—even if at great sacrifice—in paying its foreign debt. For the first time, the country is "no longer obliged to pay tribute," and is thus independent.

Has Romania truly changed its policy of systematization in response to international pressure? Or has Bucharest launched a campaign to improve its reputation? The statement by dictator Ceausescu, whose titles include "architect and builder of the country," that the number of villages should be cut in half—thus, by about 7,000—by the year 2000 has yet to be retracted. "But that would be asking too much," say interlocutors in Bucharest, noting the personality structure of the "conducator." "It is also possible to change a wrong policy without announcing it out loud." They intimate that the figures on village renewal, inflated for propaganda effect, should not be taken at face value. Even intellectuals with a critical attitude towards the autocratic regime complain about the exaggerated or even false representations of the extent of destruction already committed.

Bucharest's "rectification campaign" does not really make it easy for reporters to get an impression of the actual situation. This is because on the tour prescribed by the Romanian journalists association it is impossible to understand where reports of the mass destruction of entire towns—not simply individual buildings or hamlets here and there, which still would have been objectionable—came from. On the route from Bucharest to Brasov and Prejmer (200 km) and back, on the more than 200-km trip from Oradea in the northwest to the Baerenhoehe [as published] towards the southeast and back again, as well as further on to Timisoara (170 km), and then on excursions to the towns west of this district city, there was always the same impression: for the

most part well-kept houses in the villages, no major construction sites, the few new buildings are several years old; hospitality and satisfied faces, as is common elsewhere in the presence of foreign guests whom one wants to leave with the best possible impression. This aspect is admitted openly: "Naturally we showed you the best." For example, the Comtim agricultural combine in the Banat, whose output of meat products is admittedly for the benefit of export only. In contrast, there has been little meat and milk in Bucharest stores in recent months.

With just as much relish, the official hosts present everything that in their opinion proves exaggeration or even false reports: The mayor of Prejmer, 20 km north-east of Brasov, where surveyors were reported to be at work 6 months ago, shows off the intact streets with an air of innocence. "See, we have not torn down a thing. Only beyond, on state property, is new housing being built, so that farm workers do not have as far to go in the morning and in the evening." And visitors are still being taken to the Banat town of Gottlob in Timisoara district, despite awareness even in the West that reports of its demise were a hoax.

Still, why the change in the original itinerary, which provided for a visit to Sibiu? Could they not have then refused, without raising unwanted suspicion, the detour to nearby Neppendorf [Turnisor], where the destruction begun years ago is supposedly on a vast scale and where, according to reports, houses were torn down only recently? The trip to Sibiu was cancelled due to time considerations, the council of journalists explains to its guests.

Many of the standard cliches do not apply (any more), at least in the fall of 1989. The streets of Bucharest, Brasov, Oradea, and Timisoara are in no sense "pitch dark." Naturally, there is no comparison with Paris, Munich, Vienna, or Budapest. But they are no darker than Bratislava, Krakow, or a Polish provincial city. Nor is it true that there is only a single 20-watt light bulb burning in each apartment. The many colorful, well-kept flower beds in every city are completely lacking in Poland or Czechoslovakia. Renovated churches in almost every town. Finally, anyone who has seen the area around Polish new buildings, where building material and debris are left lying around for years after completion and the path to the entrances leads through mud, will at least take cognizance of the picture in Romania, which is different in many places, with a little more awareness.

The blame for the misunderstandings, exaggerations, and false reports, to the extent to which there were any, must be laid at the door of the Romanian leadership itself, especially because of its information policy. The figures provided by official representatives are so unauthoritative, sketchy, and contradictory that it is scarcely worth it to even write them down. The only thing unearthed by interviews is that everything in Romania is going fine, all the way down to the tiniest problems. Asked about examples of "conflicts of interest," which he had just mentioned, the mayor of Oradea, after repeated urging, says that a sports facility had been planned for one area of town. But the citizens

expressed their wish that the site be moved. This was discussed, and a new solution was found in unison. Romanian grass-roots democracy apparently worked just as amazingly in the plan to move a streetcar track. The administration contritely gave in to the objections of the citizens. The most critical objections during the trip came from the mayor of Timisoara, who resembles the youthful image of the "father of the fatherland" on the wall of the great hall at city hall: "No forest without droughts."

"There is really no opposition in Romania." This in fact distinguishes the country, says Ministry of Foreign Affairs Spokesman Girbea while dismissing objections, from Czechoslovakia, where officially invited journalists can at least speak to the former foreign minister during the Prague Spring. Jiri Hajek, during their spare time. The desire brought up during discussion of the itinerary on the first evening to see dissident Doina Cornea or Constantin Manescu, during whose term as foreign minister diplomatic relations with the FRG were established (1967) and who signed a critical open letter to Ceausescu, is taken as a "provocation" for the remainder of the trip. To this day, "state organs" have prevented, even physically, the German ambassador from giving Manescu a letter from FRG Minister of Foreign Affairs Genscher. The Romanian Ministry of Foreign Affairs has rejected requests to deliver the letter by boorishly explaining that it is "not a post office." So it is no wonder that the exchange of ideas with less official interlocutors, who are very open when discussing everyday questions, ends quickly as soon as you come to questions about the system or personal questions.

With other old habits as well, Bucharest is getting in its own way in its effort to improve its image. The universal presence of employees of a certain service is obvious. Scarcely have the journalists completed their visit to a Hungarian priest in Oradea when they see how strangers ring the bell and ask about the visitors. The suitcase that the reporter left locked in the hotel room is found unlocked when he returns. Apparently, there is a major shortage of bugs in this surveillance state. In any event, one guest who wanted to get his suitcase from his room ran into a telephone technician at work. Several days later, he discovered that irreplaceable tapes made by a radio colleague with the German pastor in Prejmer, which he had checked immediately thereafter, had been erased. He had left his machine in the hotel room for several hours.

YUGOSLAVIA

Belgrade, Ljubljana Scholars on Future of Socialism

'Democratization Needed'

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8 Oct 89 pp 30-32

[Interview with Vladimir Goati, scientific adviser of the Social Sciences Institute in Belgrade, by Jug Grizelj: "More Bread and More Freedom"; date and place not given]

[Text] Once all the daily disputes, disagreements, and conflicts of a political nature are put aside, it is becoming clearer and clearer that the fundamental question of Yugoslavia's future is this: What kind of socialism to inaugurate through reforms of the country's economic, social, and political life? That is the question, then, that dominates the thinking of both communists and non-communists in Yugoslavia, and the answer to it must be formulated in the very near future—even at the 14th Extraordinary Congress of the LCY [League of Communists of Yugoslavia]. This is a very complicated dilemma, one which is actually troubling all of the socialist countries in the world, where they are also making an intensive search for a way out of the increasingly obvious social and economic crisis in which all those countries find themselves. NIN joins in the search for that answer with a series of interviews with social scientists. In this issue, Dr Vladimir Goati, political sociologist and scientific adviser of the Social Sciences Institute in Belgrade, offers his reflections.

[NIN] Following the decades of the construction of socialism in Yugoslavia, which we believed—on the basis of Marxism—to be a "scientific blueprint" of the transitional period to communism, we have entered an utter crisis of economic, social, and political life. More and more frequently people are saying, even from various rostrums of the League of Communists, that the blueprint of socialism must undergo radical changes, and such reform terms as "a new model of socialism," a "completely new socialism," and so on are even in official use. As a political sociologist, how would you define that "new socialism"?

[Goati] There are two levels of this debate, the theoretical level: What is socialism? and the other level: What are the prospects for Yugoslav socialist society? I think that today there is less agreement concerning the answer to the question of what socialism is, while agreement is much greater on what socialism is not. On the question of what socialism is not, there is a high degree of agreement both in science and also in politics, to the effect that socialism is not what is called "real socialism," nor is it the Yugoslav model of "self-management socialism" of the seventies, nor Chinese socialism, nor the socialism of the Khmer Rouge, nor any fifth example. The almost unanimous answer is that we have to conduct a search and build something in the name of socialism that would be outside the experience that has been gained so far.

[NIN] Does that mean that socialism is not necessarily public control of ownership, that is, state and public ownership—plus "dictatorship of the proletariat," that is, the rule of a single party? Do you think that that question has been settled in science?

[Goati] Yes, and that not only in the West, but also in a majority of the countries which call themselves socialist. As for the dictatorship of the proletariat, it is the source from which the organization of the state, the economy, and the entire social system was derived, and I would say that this

dogma has been superseded even within the framework of the official theory in the communist parties in the West. The Italian Communists, for example, adopted a solution 3 years ago at the conference in Florence which would be acceptable in our country, and that is that democracy is both the end and the means—the only principle of the political system. The mythology based on the dictatorship of the proletariat, on the predestined vanguard, in which, once again, the principle of democratic centralism applies as "holy writ," is nothing other than an organization of society into "we" and "they," in which there is no political equality, and in which society is actually politically organized so as to always be in a state of emergency, so that a takeover is prevented.

This principle, however, is legalized for all time, even when that danger has passed, and that kind of social organization inevitably leads to discrimination against a large part of the population, while on the other hand the ruling nucleus possesses absolute power. Even in our country, we can easily find evidence of that discrimination against a large part of the population in the structure of government. For instance, I have mentioned several times the fantastic datum that in the structure of the Yugoslav Assembly, in the last four convocations, that is, over the last 16 years, the percentage of noncommunists has been only 0.7, while 99.3 percent have been members of the party! An empirical examination turns up the same or something very similar in the republics, in the provinces, in the opstina assemblies, and in "ministries" and in SIZ's, everywhere. Of course, one might also draw from this the erroneous conclusion that the party is in power, when it is not, since 2 million people are not in power; the power is in the hands of the nucleus of the leadership team of the "party in the operational sense," which continuously selects itself, but not illegally—but legally, although not legitimately, since this involves the dictatorship of the proletariat and elimination of democratic elections. As soon as there are democratic elections, that structure cracks, as was the case in Poland, where the downfall in the elections was absolute. This "self-selection" of personnel of the "ongoing revolution," based on the principle of the dictatorship of the proletariat, has been compromised, perhaps more than by anything else, by the entire blueprint of socialism.

[NIN] Is it a case of "human error" or "a mistake in the design"?

[Goati] It is obviously a case of a mistake "in the design." It is a question of socialism not being prepared with respect to limitation of those who wield political power, which in part is also a product of theoretical insufficiency. It will not be an exaggeration if we say that the best minds of the international working class movement concentrated all their full attention on how to take power, completely ignoring the problem of how to prevent the abuse of power once it is taken away from the bourgeoisie. We are dealing here with "congenital defects of the communist parties."

From the very outset, they minimized the existing democratic institutions, reducing them to "formal bourgeois

democracy." Thus, they threw democracy overboard tout court, and after that the deformation of power was only the logical and inevitable consequence.

The communists were truly brilliant in their application of all the tools for taking power; they showed genius in carrying it out, and if we are talking about the authentic revolutions, such as those in the Soviet Union, China, and Yugoslavia, where power was not taken with foreign bayonets, then we can speak of a truly fantastic organization of the taking of power. The problem arises afterward: What to do with the power? It has turned out that the principles of organization which were most effective in taking power can hardly fail to have disastrous consequences if applied when power is taken.

By contrast with the political order of the countries with representative democracy, the political order of the socialist countries has from the outset been based on a priori confidence in the holders of political power. The basis of this is "optimistic anthropology," unqualified faith in the "angelic nature" of man, who is corrupted only by diabolical social institutions (private property and the state in particular). Abolishing or changing these institutions gives people an occasion to display their infinite nobility and goodness: the "socialist angels," men "of a new stamp," march onto the stage in triumph. The family tree of these views goes back to Rousseau and numerous thinkers of Marxist orientation, including Marx himself. The political solutions based on these views did not survive the collision with prosaic reality. Judging by experience to date, once the revolutionaries came to power, they behaved just like everyone else who has held power down through history.

It is a fact that the immense majority of the revolutionaries, even in the socialist states, did not resist the narcotic effect of power once they became the masters of the new order. In the countries of "real socialism" and in our own country, the utterly unlimited political power had disastrous consequences, confirming the thought which Montesquieu expressed long ago that "the experience since time immemorial is that a man who has power is inclined to abuse it."

[NIN] By contrast with the theory of "optimistic anthropology," the principle of "pessimistic anthropology" has been established since the French revolution. What are its characteristics?

[Goati] It has to be acknowledged that the political system of representative democracy, which is authentically built on the premise of "negative anthropology," i.e., on the natural expectation that the holder of political power will tend to abuse it, and that one should therefore create institutions in which that natural tendency will be frustrated, has proven to be effective: Man is by nature susceptible to the narcotic effect of power, and that is why a number of controlling institutions have to be created, from democratic elections to the separation of powers. Unfortunately, both our example and the example of all other countries which considered

themselves socialist have demonstrated the utter unsoundness of the thesis that communists are "men of a special stamp" and that unlimited trust should be placed in them.

[NIN] If we know, then, what socialism is not, what, then, is socialist society?

[Goati] It is certain that the ideal of people who aspire to progress can be defined at least in part: this is a society which guarantees its citizens more bread and more freedom and democracy. Unfortunately, in all the societies which consider themselves socialist, and there have been no exceptions, there has been a total fiasco in those two essential respects. In various countries and at various times, the system has suffered fiasco even in relatively different forms of power which call themselves socialist, so that one must draw the conclusion from this that we are not dealing with some oversight or deformation of some particular individual, but with a systemic error whereby this system which we have called socialist, regardless of the characteristics of the people and their nobility, always yields the same result, less freedom and democracy and less bread. If someone wants to call a system which in comparative terms yields less freedom and less bread a design of socialism, I at least feel no need to do so.

[NIN] What is the genetic cause of the fact that in all the socialist countries the final product has been less bread and less freedom, even though socialism as an idea, as the foundation of the blueprint, is above all the ideal of a society with more bread and more freedom?

[Goati] This brings us to the question of questions. It probably really is a matter of a genetic defect in the system which does away with the autonomy of the individual, his freedom, and his inventiveness, reducing him to an apathetic part of the mass—whatever fine names it may have congratulated itself with. It is above all a question, quite obviously, of the principle of eliminating competition from economic and political life. In both cases, the following can be said: Both economic and political competition have a great many adverse aspects. However, it is turning out, over the long run the only defense of competition—and indeed of democracy as a whole—is that everything else is a great deal worse! This is not an absolute defense in the sense that democracy is an ideal order. The defense of democracy is relative: everything else is incomparably worse and, in social terms, more expensive than democracy.

[NIN] What, then, about the basic premises of Marxism, about public ownership and the dictatorship of the proletariat as the axioms of socialism, which is the transitional form from capitalism to communism?

[Goati] We have to look at things squarely and solve the problems not of Marx' time, but of the beginning of the 21st century; in other words, we have to finally become mentally mature. I know that this will offend the keepers of the "holy flame," the orthodox Marxists—but aside from critical reflection I see only new mistakes and new utopias. We are today the eyewitnesses of the downfall of

a political universe and the creation of a new political and social world, and yet we are not sufficiently aware of this. An era of confusion has begun in our country, not only in politics, but also in science. The transition is taking place from the monistic paradigm to a new paradigm, the pluralistic paradigm. In that pluralistic, democratic paradigm of society, these are the key factors: the citizen, the law-governed state, civil society, separation of powers, strict limitation of the exercise of power to support obtained in regular democratic elections, and so on.

This is a great upheaval in ideology, politics, and theory—one which brings with it a confusion that could last an entire generation. After all, many people who talk about pluralism today are people who for decades, and indeed even for half a century, have talked about nothing but the dictatorship of the proletariat and one-party rule. Now you hear them talking about the law-governed state, about the separation of powers—but at the same time they are also talking about the leading role of the party. Those two things are mutually exclusive! Stated in the terms of the theory of systems, those two things are incompatible and noncomplementary. From the pluralistic standpoint the concept of the vanguard, as a predestined revolutionary force which knows the future development of society, becomes nonsensical. From the pluralistic standpoint—and this is the historical period we are living in—the only way in which one can talk about a vanguard is this: the vanguard is that party which has gained power in democratic elections, and it remains the vanguard so long as it has the support of a majority of the citizens, but tomorrow, when it does not have that support, it is no longer the vanguard.

[NIN] Yet a certain distance has been traveled: today, there are no longer any politicians who are not in favor of pluralism....

[Goati] As a matter of fact, both in science and in politics, we have witnessed an amazing turnaround. The fiercest opponents of political pluralism have over a period of approximately 1 year become its spokesmen to the point where at first one might say that today we truly no longer have any enemies of political pluralism! Often, however, this is merely a verbal rather than an authentic adoption of the pluralistic option and of its institutional and practical political consequences. The "antipluralists," who accept political pluralism only in principle, reject or deprive of any meaning key elements of which it consists: legalization of the right to autonomous political organization, the opportunity for citizens to choose among a sizable number of candidates in free elections, and limitation of the right to exercise political power by the degree of support obtained in regular democratic elections, and so on.

It might be said, then, that the crucial debate about Yugoslavia's democratic transformation is not at this point being waged as a debate for or against political pluralism, but concerning the meaning of pluralism and

its implications for practical politics. This is a well-known intellectual trick: Unable to avoid an affirmative attitude toward political pluralism, its opponents, the "antipluralists," have given pluralism a meaningless content, depriving it of the substantial features mentioned above. Then they go on to conclude with ease that pluralism has actually already been achieved in our country, so that fundamental institutional reforms and redistribution of political power are unnecessary. The utopian conception of what is referred to as nonparty political pluralism is helping to maintain the wide gap between pluralistic discourse and monistic Yugoslav reality. Its "hard core" is still made up of the vision of politics as a harmonious and essentially conflict-free activity, not as a fierce struggle for a larger share in distribution of limited resources.

[NIN] We might put it this way: we are seeking a society which will afford us more bread and more civil liberties. Can we define a new socialism on that basis?

[Goati] That is what I am afraid of: definition. If we know how to arrive at an efficient society with more bread and freedom, it does not matter to me what various people will call that society. But we have a primitive streak in this respect: we react much more to a verbal and ideological expression than to real behavior, and the test of political loyalty in Yugoslavia has always been a verbal test. This is generally a feature of a primitive society, which is always sensitive to words rather than to behavior. It reacts to trifling criticism, yet it is not sensitive to fundamental criticism. One can freely speak about the total disintegration of society, about a squandering of resources worthy of the pharaohs, about inefficiency.... But if you say that the model of socialism is in crisis, that is already an ideological issue, it reacts immediately and sees you as an enemy.

[NIN] It follows from all this that the economic reform is not possible at all without a drastic political reform?

[Goati] We have good reason to speak about three reforms. One reform is more bread, that is the economic reform. I think enough has been said about that, and things here are really clear. Then come the other two reforms for more rights and freedoms, the social and political reform, and it is here that the trouble begins with the ideological and theoretical past, but also with the interests of those "up above." This is making the least progress, since after the disaster of one utopia, a rational European society has to be built on the ruins of that utopia, which actually presupposes a major redistribution of social and political power. This is the rubber wall we are now pounding against, since those who want a redistribution of social and political power do not hold the levers of power in their own hands, and those who do hold the levers of power do not want that redistribution. This is the truth of the Yugoslav entanglement, and all the rest is froth and fog.

If we follow the West European experience of political development, I think that no reform is possible without

prior democratization of the election process and the election system. Without those changes, the people have no opportunity to control and change those who run things. That is why I am skeptical of all elections, regular and extraordinary, conducted in the same electoral system. That kind of electoral system will always yield that kind of people. You can hold extraordinary elections every day: I say that the results will always be the same, plus or minus 5 percent, but in Yugoslavia we need 1,000 percent.

[NIN] If the real balance of political power is the decisive factor in all the changes, are you optimistic in view of the real and very negative balance of power between progress and the status quo?

[Goati] As a scientist, I am not an optimist, as a man I am! The real political balance of power is not favorable. That is true. Probably the most important thing now is that the League of Communists find enough political wisdom in its leadership to lead the way in tackling a rational project for creation of a new model of society and the state, with more bread and freedom! I believe that for the present there is no other Yugoslav social force outside the League of Communists. The League of Communists has an opportunity to gain once again its self-respect and the respect of 20 million Yugoslavs: to engage in democratic elections. It would not bother me at all as a member of the League of Communists if the League of Communists engaged in democratic elections and lost and passed over into the opposition. It is a good thing that there is talk today about transformation of the LCY. The discussions about reform of the party, however, have two possible starting points. The first is the progress of society, the creation of a law-governed democratic state based on approval of all the citizens, on direct and secret elections. If this point of departure is accepted, the LC must undergo thorough reform. The other point of departure is to maintain the monistic system at any cost. It is my view that the same political system can persist for some time yet, but the price will be immense. This is what I was referring to when I spoke about the necessary political wisdom and we have something to learn in this respect from the Polish and Hungarian experience.

[NIN] You are referring to the experience of pluralism?

[Goati] The irrepressible trend of political pluralization has breached the dams of the monistic political system both in the world and in our country, from Budapest to Moscow. The second half of this decade can be referred to not only as the political, but also the moral requiem of monistic systems, although they continue to remain alive, but it is a life without justification, an existence without legitimization. This is powerfully confirmed by the results of the elections in Poland last June, when the citizenry had an opportunity to choose between candidates of the ruling PURP and the opposition "Solidarity," and when the opposition took 99 percent of all the seats, and the ruling party experienced an absolute defeat never before recorded in the annals of elections!

[NIN] What would happen if we undertook such elections?

[Goati] I think—perhaps I am wrong—that it would not be a repetition of the events in Poland. I believe, and I say this on the basis of the available empirical research at the level of Yugoslavia, that the party still has "political credit," although it has been and still is squandering it. I could not say what percentage of the vote the League of Communists would get in elections, but certainly much more than some of our political officials think, since they picture themselves and their regime as being much worse than they are. The problem, however, is that the leadership in the League of Communists still has a pattern of thinking in which the party must have "everything."...

[NIN] It cannot, then, get used to being only a "part," as is the case in Italy, France, Sweden, Finland....

[Goati] Yes. Officially, the party accepts pluralism, in documents, verbally, but it cannot accept the possibility of getting "only" 51 percent or 33 percent of the vote. Although the word "party" means only a part of the whole, the party is used to being everything. It has incorporated itself even into the Constitution, and the only other place where that is true is in Romania! Since the party is not united, this has also carried over to the "party-governed state," and the negative consequences of that blockade are borne not only by 2 million members of the party—but also by the 20 million Yugoslavs who are not members of the party. When the Polish party and the Hungarian party found themselves in that situation, they behaved sensibly and undertook a historic compromise—thus avoiding chaos and anarchy. So, that is the price I have been talking about: The compromise can be rejected, along with pluralism and free elections, but the price is this: apathy, inefficiency, disintegration, and anomie...and who knows what else....

[NIN] If you are unable to define what socialism is, can you forecast what the upcoming congress of the League of Communists will conclude on that point?

[Goati] I do not believe that a scientist should engage in predictions, but since I have already said that we are talking about a task for an entire generation, not just one congress, and not just 1 year, I think that the question now is whether the League of Communists will be able to escape that anarchy and chaos by means of gradualism, tolerance, in a democratic way, and by finding space for all alternative opinions and protagonists in the country, including guaranteeing the right of political association.

As for the congress, not much can be expected, since in the end this is the congress of an elite, the political elite, which in Yugoslavia numbers some 15,000 people, who have all the power—in concentric circles. The people who make it up have up to now been selecting themselves, and they have appointed themselves, regulating this with "social compacts on personnel policy." There is good reason to suppose that just as they earlier selected themselves and then selected the "constituency" that they would represent, that now (as has been the case up

to now) those same people will constitute the "constituency" at the congress. In any case, the rule is that the leadership selects its own voters! What is more, it is realistic to expect of the present republic leaderships a minimum of consistency and persistence in carrying out the commitments made so far. And if that is the case, then this congress will be another congress of preserved "Yugoslav continuity"—from which we should not expect very much. If it is once again a choral quarrel, a dramatic "quarrel over the abyss," we can hardly hope for any solution from this congress.

'New Socialism' Questioned

90EB0083B Belgrade NIN in Serbo-Croatian
15 Oct 89 pp 32-33

[Interview with Dr Joze Mencinger, professor at Ljubljana University and scientific associate of the Bajt's Institute, by Jug Grizelj: "It Is Either a Duck or a Chicken"; date and place not given]

[Text] Dr Joze Mencinger, professor, says of himself that he was long ago proclaimed to be a "rightwinger" both in Slovenia and in Yugoslavia, but today, now that many of his assessments have been long ago surpassed, he feels like a "rightwinger whom everybody has passed on the right." Professor Mencinger is a lawyer in his basic training, and he has an MA in economics and a PhD in econometrics. He teaches statistics and the Yugoslav economy at Ljubljana University, and he is one of the closest associates of Professor Bajt, in whose institute one of his duties is to edit the bulletin PRIVREDNA KRETANJA.

[NIN] You recently declared that if we are going to talk about a "new socialism in human proportions," that this has to be defined. After all, you said, the "old socialism" was also defined as "the most human and progressive socioeconomic system," one in which the production relation was explicitly based on socially owned means of production....

[Mencinger] I said that in connection with the program of the FEC [Federal Executive Council] chairman, which was adopted by all the institutions in the system, from the Yugoslav Assembly all the way to the League of Communists of Yugoslavia. That program, which is being implemented even now, does in fact signify an essential change in the very nature of the system. Although in my opinion the name attached to some economic or geographic definition signifies nothing, since it is well-known that the most undemocratic systems insert the word "democratic" in the name of their state, and the name "socialism" is compromised even in such totalitarian regimes like the one in Romania, while Sweden is just a "kingdom" and not "socialist" and Switzerland is just Switzerland, although it implements the most radical model of direct democracy, it would be very interesting to learn why we call our set of changes only a "reform," although what is now being done is not a reform at all, but a change of social relations. It is not

possible to incorporate into the social system an integral market, inaugurate a market for capital and labor and define the plurality of property, establish a titleholder for public property, and then call all that socialism. If we really want our words and definitions to be respected, it is obvious that those changes which make the social system more efficient are changing its nature into some kind of capitalism. I have already said that this is an unusual paradox of false blindness, since I do not believe that ignorance is involved; the paradox which has already been referred to as "neither a duck nor a chicken," in which we all see it plodding past us, and it waddles like a duck, so it must be a duck, however much we declare that it is a chicken. To assert that a system in which there is a market for labor and capital is socialist, of course, in the sense of Marxist "holy writ" is pure blindness or a pragmatic trick....

[NIN] So, you think that the term "new socialism" is a definition which signifies nothing?

[Mencinger] I do not know whether I need to say it, or whether it is taken for granted, that I am not speaking as a political person, but as a social scientist who does not consent to calling a duck a chicken. When I say that a market for labor precludes socialism and self-management, and that social ownership precludes a market for capital, then I am merely following a logical train of thought. Take the market for capital as an example. We know precisely that the components of that market are the buyer and the seller. If we have social ownership, then we do not have buyers and sellers, since a person cannot sell to himself. If we introduce a market for capital anywhere, then that social ownership necessarily is transformed at least into some form of collective ownership, and collective ownership is only a form of private ownership. The point is most obvious with self-management in the context of the market for labor, since here the paradox is striking. If an enterprise is hiring workers, then it figures as the prospective buyer or buyer of manpower, and the worker figures as the person offering his own manpower. To that point, things are more or less in order. However, when the worker is employed, he becomes a self-manager by definition, and thereby a manager as well, which means someone who must define the combination of the factors of production, determine how much capital will be used, how much manpower, and so on. Now take the ordinary situation in which the worker as manager, as self-manager, confronts a situation where production must be changed, or, still better, where production must be kept at the present level, but with less manpower, if it is to continue to be competitive. In that situation, the worker as self-manager would have to lay himself off. That does not work at all. And if someone else is laying him off, then we do not have self-management; so, this is a simple example of why self-management and the market for labor do not go together.

[NIN] Basically, then, you in fact see the economy as a kind of Darwinian struggle in which people have differing abilities, but they are equally egoistic. The able

ones go further, create wealth, develop the economy, and the incompetent ones drop out. If that is the case, then the entire concept of socialism free of conflicts by nature was an illusion?

[Mencinger] That idea of there being no conflicts "within the working class" was taken to the point of absurdity in the consensus economy of the Kardelj type in which the predominant premise was the unity of interests of all those taking part in the production and distribution of social wealth. The whole panoply of deals referred to as "self-management accords" pursued that goal, and this was supposed to be proof that all participants in society have identical interests. Those self-management accords came down, of course, to "agreements between the lion and the lamb in the same cage," while our theory was firmly convinced that the lion for ideological reasons would agree not to eat the lamb the very first night. I would like it if society were free of conflicts, but that obviously does not exist. In that sense, I think that the design of socialism in Marx' vision is mistaken, since it proceeds from the erroneous assumption that people have equal ability and this will be evident as soon as all people are given the same opportunities.

[NIN] When you speak about the need for social property to be given a titleholder, do you agree on this with Professor Zupanov, who also thinks that socialism has no chance without redefining ownership, but when he speaks about a private economy and privatization, he explicitly says that he is not referring to a system in which even the largest enterprises in Yugoslavia will be privately owned, since even in the United States the private economy—aside from small and certain medium-sized enterprises—is not in the hands of individuals? There are investors, he says, social security funds, health insurance funds, that buy and sell stock and thereby try to protect the assets of their clients. He says that he does not think that "Rade Koncar" should become the property of a single person or family, but when he speaks about "private ownership" he is thinking of the same type of rules of behavior as in the capitalist economy, where everyone, including the government, behaves like a private operator.

[Mencinger] Yes, I completely agree. It is a fact that socialism has failed as a design of a conflict-free society, and I am not saying that I am happy about that. I am only making the observation: socialism as a system based on social ownership is simply not competitive, it is inefficient, unproductive, it is not able to utilize all the natural and other resources of society; so, it is backward. It is a consequence of the thinking of 19th century minds who saw capitalists on the one side and workers on the other side, and everything was extremely simple: the means of production had to be taken away from the capitalists and given to the workers. Life, of course, is not that simple by a long shot. This has been demonstrated by the entire history of societies which have called themselves socialist: not a one of them has been

able to develop efficient production and to guarantee its citizens the maximum of democratic options and civil and human rights.

[NIN] How, then, do you define the changes in the economic system which are under way?

[Mencinger] As a society which will allow private initiative, private ownership of means of production, in which social differences will be equalized indirectly through taxes and the entire policy of the state. In a way, this is Sweden, and in a way this is then a social-democratic model. What is more, I must say that a great number of our definitions have concealed content that was their opposite. We speak about socially owned housing, but actually this is private housing, since no one can evict me from my apartment, and I have the privilege of paying low rent. In an economic sense, this is private property, and Lord only knows why we have called it socialist. At the same time, the peasant has land which is formally his, that is, private, but often he does not receive for his labor even enough to cover the manpower. So what is that if not social ownership?

We can regulate things any way we like in the law, but in economics they have only the name which fits that category. We can proclaim some society socialist as much as we like, but if in that society certain strata actually carry out voluntaristic redistribution, possessing all the power over social property—that social property is private.

I must only say in conclusion that although it is completely clear to me that we are headed for a kind of capitalist model of economic policy in which that form of ownership that is most efficient will predominate, that I am afraid of that development, since we discuss in theoretical terms how to protect social ownership, it will simply disappear, since on all sides everyone has his hands on it and is destroying it in an incredible way.

I am really afraid of this managerial stratum that is coming along, within it there is a stratum of speculators who are now fishing in the muddy waters of social ownership and do not want any changes at all. An integral market does not suit them, they like it much better this way, and they live off their resourcefulness, corrupting everything around them. I am afraid of that, not of the private sector or of small business but of that transitional period in which social property is wasted as though it belonged to no one. We have to decide. Unless we decide, we will go to ruin in the name of a socialism that is not even socialism.

Views of Army Party Chief Simic Discussed

90EB0038A Zagreb DANAS in Serbo-Croatian
30 Oct 89 pp 16-17

[Article by Mladen Maloca: "In the Name of the Army"]

[Text] Probably never before as at the last session of the League of Communists [LCY] Central Committee have

the eyes of persons who follow the meetings of the highest party forum moved so often to the place where the Army representative was sitting. No special political wisdom is needed to penetrate the reasons for such open curiosity about the behavior of Army representatives. The unspoken question in this overheated Yugoslav political arena has long been "How will the Army react?" or "To whom does the Army belong?" The questions have become especially frequent, despite the attempts to conceal the quite obvious disunity of the political leaders of the country, from the moment when awareness of the deep split came to almost every individual in this exhausted country, in which doubt has been cast on almost all values in which only yesterday obedient, almost fanatic belief was expressed and which were sworn by. The differences between a united Yugoslav people under the patronage of a single nation and a Yugoslav people as a community of equal rights of all the peoples and nationalities who live in Yugoslavia became evident even at the time of legalization of so-called meeting democracy, the demands for remedy of the historic injustices done Serbia, which "wins in war and loses in peace," from the slogan that "Serbia will be a state or will not be," from the proclamation of the still valid constitution as the origin of all the evils and misfortunes which we are experiencing, the hypocritical accusations leveled at the "northwestern part of the country" of separatism, of "servile" ingratiation with Europe, etc. The area of Yugoslavdom in its newly arranged and reduced version has shrunk almost dramatically to a single version, one very exclusive in presentation. It may be quite openly stated today that the political leadership has not found the right answers to these problematic challenges of great portent for the future of the country. Balancing itself between daily interests and current slogans, it has lost its fundamental Yugoslav orientation and authority, objectively putting the Army in the position of changing into the last redoubt of Titoism and the Yugoslavdom based on it. Consequently, the "threatening with the Army" did not begin on that long and gloomy night of 25 to 26 September on which the members of the highest Yugoslav party forum showed the true face of their adherence to principle (we will say nothing of the cultural level of political dialogue, or, to use the words of chairman Rahman Morina, "f it"). It has rather gone on much longer, but without the approval of the Army and its representatives. Precisely because of the attempts to speculate about the Army's position, Army representatives have more than once honorably responded that "the armed forces are not and cannot be the arbiter in this society," because, as Colonel General Martin Spegelj remarked once, "solving a problem means of the Army and the police is illusory. It always comes back like a boomerang." Nevertheless, seemingly not everyone has listened with equal care to these military restrictions. Many continue their political roulette, something which provoked Ivo Druzic at the last meeting of the LCY Central Committee, while trying to spell out the scenario of the political failure of this plenum, also mentioned the

Army, saying that the danger threatens that, after Kosovo, "we will carry out" the changes in the Constitution, this time in Slovenia, "by declaring an emergency," that is, by using the Army. "This," stated Druzic, "would inevitably mean compromising the Army leadership, which would be unable to avoid the accusation that it is actually suspending the Constitution and democracy rather than defending them. Such compromising of the current Army leadership, and so its liquidation, also, as the nationalists are already openly saying, liquidates one of the last bastions of 'Titoism.'" Druzic's conception of the future did not meet with understanding, as expected, and was followed by a firm reply by Vice Admiral Petar Simic, member of the LCY Central Committee and chairman of the LCY Organization Committee in the Yugoslav People's Army.

"I would like to say something from this platform," Simic said. "The Yugoslav People's Army is what its name indicates. It is neither merely a soldiery nor a mercenary army working according to some sort of scenario, as is said here, and just as people suddenly want it to. Secondly, the military leadership of this Army is made up of responsible and political people, people who do not work for trivial causes, who are aware of their responsibility, role, and missions as specified by the Constitution. Thirdly, the supreme commander is the office of president of this country, not someone who orders and institutes an emergency. It is not such a person, and I demand here from this platform that you show respect to the Office of President of the SFRY as my Supreme Commander, to the Yugoslav People's Army and its role, and to the military leadership." With this brief but highly eloquent reply, Vice Admiral Petar Simic not only drew applause from the tired party fighters, but also demonstrated the firmness of the Army leadership, and also his own political and oratorical skill, which instantly placed him in the orbit of personalities with the highest media exposure. His "I demand" made a deep impression both on the usual observers who followed the course of this meeting deep into the night, or even until morning, and on individual Central Committee members who interpreted his words as a green light for accusing his party comrades of unspoken assumptions that "the military establishment intends to institute terror in this country."

In addition to indicating a unique confusion on the part of interpreters of the Army position, these and other similar constructions are merely yet another confirmation of how attempts are made outside the armed forces to play the card of the political positions of their top commanders. However, the armed forces leadership made it clear long ago that it has no desire to participate in unprincipled political divisions and battles, but reserves to itself the right to call attention to the fact that, as Simic himself formulated it at the 20th meeting of the LCY Central Committee, "we are approaching the culmination of the crisis," and that the League of Communists "is losing battle after battle as never before in its history." The appeal made by Simic at the time to

"overcome the existing euphoria and mental rages which are driving our Yugoslav ship into the cliffs of a catastrophe" obviously did not meet with the expected response among Yugoslav political leaders, driving the military, as in the case of the Slovene amendments, to appear as a substitute for the lost political authority of the state and party leaders of Yugoslavia. This position also impels Simic, the leading party figure in the Army, into a position entirely different from his previous one. The media's interest in him continues to grow, and his every word is matched by special political sensitivity. The 57-year-old admiral, born in Bihac, has in the past almost stoically withstood such challenges. This is attributed to his rich political skill and to his thorough training and education (in addition to the Naval Academy, he has also graduated from the Higher School of Political Science and has also attended the Naval Command and Staff Academy and the National Defense School).

His ambitions have always been the highest, this being indicated by the fact that he completed his naval training as the first in his class, while his successful naval and political career shows that he is a capable and thorough man. Dressed in his elegant admiral's uniform, he attracts an observer's attention, and because of his innate elegance and good looks, some compare him to American movie actor Robert Mitchum. Despite his appearance and behavior, Simic himself gives no grounds for such comparisons. Cloaked with the authority of an admiral's uniform, when he appears on the speaker's platform he most often expresses the general military thinking and attitude on individual problems. In his speeches he places no emphasis on himself as an individual; his opinions are always expressed in the form of "we in the Army." Of course, this does not indicate any decrease in his own initiative or original personal thought, merely a conscious intent to demonstrate the unity of Army positions in this way. Simic represents the opinion that we in our country are excessively "politicizing matters," and so he asserts that the solution is not to be found in "further inflaming of passions, in senseless politicization of everything and anything, ultimatums, exclusiveness, and partialities." An essential factor in the system and the future of this country is disregarded in all these divisions. This factor, says Simic, is the working man, the working class. And after this last meeting of the LCY Central Committee, Simic found it pertinent to point out that people continue "to play games with the Army." According to him, the Army "is pulled by the sleeve for one or another reason, from one, a second, a third, a fourth, and I do not know what all sides." "People would like to have the Army on their side for all sorts of reasons, but the Army does not take sides," stresses Simic, with his reply confirming not only that he is a volleyball fan, but also that he is a good opponent in political duels. Although he was not addressed directly, his reply was obviously intended for persons who after the meeting of the SFY Central Committee found it appropriate to add the decisions of the Army leaders to what in their own opinion was a political triumph. That it is not a question

of haphazard speculation was also to be confirmed in a speech by Nikola Ljubicic, who several days ago stated that "we must thwart the plans of those who want to change the borders of the country and secede from Yugoslavia. Of particular importance to all our aspirations is the favorable sociopolitical situation achieved in Serbia and unity of the LCY in the Army as two significant cohesive factors for preserving such a Yugoslavia." And the fact that the principled Army position (for the sake of truth, after all, it was precisely military personnel who launched a whole string of dramatic public discussions on the constitutionality of the Slovene amendments, as is attested by the latest issue of MLADINA, which published a strictly confidential document sent by the military leadership to the office of the president of the SFRY) can easily be abused was demonstrated the other day by Momir Bulatovic at a meeting in Titograd. Simic is much too skilful a military man and politician to fall into the trap of a polemic, but we must cite one of his sentences, in which he said that "our Army is both Croatian and Serb, both Slovene and Montenegrin, both Macedonian and Moslem, the Army of all our peoples. Hence it is Yugoslav." Simic was to stress that the military leadership does not need "self-styled defenders." These leaders "are not illiterate and unable to distinguish what is what."

Simic's position affirms the determination long since made of the Army as the authentic defender of Yugoslav interests, as an entity that can exist outside the republics and other subdivisions. This Army position was readily acceptable in "peacetime" Yugoslav disputes, but transformation of differences into open political conflicts also assigns an entirely new role to the military, especially since it does not want to be confined exclusively to the world of barracks. In other words, the military leadership not only must express its position more forcefully on the current political differences and interests in Yugoslavia; it must also state with greater precision and fewer generalities what it understands by reform of the system, democratization of society, pluralism, the market, federalism, and, finally, the challenge called the 21st century. Such a determination would also place the Army in a situation to which it has not exactly become very accustomed in the past. Its fate, and thus also its political decisions, will become increasingly open. This must be construed as an inevitable process of democratization, and at the same time, we would say, a good way of stopping the figurative brandishing of the Army as the guarantor of an abstract Yugoslavdom. After all, as Simic says, it is the Yugoslav Army, the Army of all of us.

Instances of Anti-Semitism Cited

90EB0058B Belgrade NIN in Serbo-Croatian
15 Oct 89 pp 30-32

[Article by Milan Nikolic: "Anti-Semitism and the Yugoslavs"]

[Text] "Anti-Semitism is not a thought, but an irrational outburst of passion. It is a perception of the world

through the medium of hatred. For that reason, anti-Semitism does not enter into the category of thought which has to be protected by the right to freedom of thought." (Sartre)

Is there anti-Semitism in Yugoslavia today?

Unfortunately, the answer is yes. Optimists say that there is not much anti-Semitism, and pessimists say that there is too much of it for the 6,500 Jews left in Yugoslavia. A long time ago, the Yugoslav Federation of Jewish Communities did not send very many letters, reports, or criminal and misdemeanor complaints. Just in the last few months, it has submitted three criminal complaints to the District Public Prosecutor's Office in Ljubljana, and one complaint to the Belgrade SUP [Internal Affairs Secretariat]. Whereas the Belgrade complaint deals with the anonymous individuals who illegally distributed a reprint edition of the 1934 "Protocols of the Elders of Zion" this summer, the Ljubljana complaints are quite full of specific names and addresses.

The anti-Semitic campaign from Cankar House in Slovenia has been escalating, although it seemed that the scandal over the Star of David would bring it to its senses. Joze Skolc, the president of the Slovene youth organization, publicly apologized to the Jewish community for an attempt to use that well-known Jewish symbol to equate the position of Albanians in Kosovo with the genocide against Jews in World War II. But MLADINA responded to the criminal complaint from the Federation of Jewish Communities over the misuse of the Star of David with the aphorism: "What do those Jews want from the Slovene youth? Money, naturally."

The Federation of Jewish Communities read this "aphorism" as the classical anti-Semitic cliché about Jews as an avaricious and greedy people, and so it also submitted a criminal complaint against MLADINA, citing not only the Criminal Code (the article on spreading national and religious hatred), but also the part of the Slovene Criminal Code about "shaming peoples and nationalities."

The Jewish community sent copies of those complaints to the Federal Public Prosecutor's Office and to Janez Stanovnik. The District Public Prosecutor's Office in Ljubljana informed the Federation of Jewish Communities in June that "it had not found elements of a criminal act" in the misuse of the Star of David. It has not yet taken a position on the complaint against MLADINA. Stanovnik answered that he regretted that he did not have the authority to initiate proceedings, and that the authorized state bodies were responsible for doing so.

And then there was the most serious anti-Semitic attack. Since August, TRIBUNA has been publishing installments of the "Protocols of the Elders of Zion," which the Jewish community considers the essence of Nazism. The printing of these in Hitler's Germany was an open call to genocide. It was proven a long time ago by world science that the "Protocols" are a forgery intended to convince mankind of the existence of a scenario for a Jewish conspiracy to take over the world.

Formal Anti-Semitism

The publication of the "Protocols" in TRIBUNA was the third, and first successful, attempt to publish these documents in postwar Yugoslavia. The first to attempt it in 1984 were Jovan Popovski and Belgrade's NOVA KNJIGA, and Serbia is the only republic that has banned the printing and distribution of the "Protocols of the Elders of Zion" by a decision of its supreme court. The second attempt was the illegal distribution of a reprint edition this summer in Belgrade. TRIBUNA succeeded in the third attempt, in spite of warnings from one of its contributors, Dr Mladen Svarc, a young Jewish intellectual from Ljubljana. He not only publicly rebelled, but also filed a criminal complaint against TRIBUNA in his own name, in addition to the one from the Federation of Jewish Communities.

"TRIBUNA attacked me for that in an editorial, explaining that the publication of the 'Protocols' was an intelligent and good thing for Jews," stated Dr Mladen Svarc, and asked, "How long will anti-Semites judge what is intelligent and good for Jews? Through the centuries, anti-Semites have tried to convince Jews that the ghetto, the Jewish badge, forced Christianization, and concentration camps were good for them. If TRIBUNA thinks that it has established a dialogue by publishing the 'Protocols,' then it is a dialogue between the hooligan who sells you a brick and you who enter into a buyer-seller relationship with him."

All of these incidents do not surprise Mladen Svarc at all, because he is quite familiar with the phenomenon of anti-Semitism in the "country" [Slovene DEZELA in the original], where there were never many Jews, and where today they can be counted on one's fingers. The Jewish community in this republic lists only 100 members, and only about 40 of them are from Ljubljana. And there is no Jewish life of any kind: no offices, club, synagogue, or publishing house. There is only a post office box and a cemetery.

Scholars have called the phenomenon of anti-Semitism without Jews as an object of hatred "formal anti-Semitism," which is not just a Slovene phenomenon. Dr Svarc says that that anti-Semitic tradition began as a black and yellow import from Vienna, and has permeated many Slovene intellectuals on both the Left and the Right equally.

That can be seen in the education of the well-known Christian Socialist politician J. E. Krek by the Viennese anti-Semitic teacher Lueger, and also through the positions of the Social Democrat Albin Prepeluh, the statements of Josip Vidmar about Jews as uprooted cosmopolitans, and the anti-Semitism in the Stalinist tradition that the party displayed after the war, concealing it behind its anti-Israel policy.

Svarc says that generations of neoleftist intellectuals in Slovenia have been brought up reading Marx's "The Jewish Question," and that most of them have never adopted a critical attitude toward that text. That may

explain why Rupel's democratic TRIBUNA is printing the "Protocols of the Elders of Zion," and the leftist MLADINA is printing anti-Semitic aphorisms about avaricious Jews. That anti-Semitism, which links Slovene intellectuals regardless of their ideological colors, was most evident in the "Lah case."

During the highest euphoria about the initiative of leftist youth activists for the performance of civil military service, in response to the sentences imposed on Jehovah's Witnesses who refused to take up arms, Dr Ivan Lah, a professor at the Defense and Protection School, spoke up in DELO with arguments identical to those in the "Protocols of the Elders of Zion." Regardless of his ignorance and his confusing Jehovah's Witnesses with Jews, he asserted that Jews wanted power throughout the world, and achieved it either by aggression against their neighbors, or by restoring the Bible's messages in a pacifist manner in order to disarm the other peoples of the world.

None of the initiators of the idea of performing civil military service, or those claiming to be democrats, reacted to these racist ideas. The "Lah case" was not mentioned at all in one publication that counted 62 attacks against the idea of performing civil military service. The MLADINA circle did not want to have a confrontation, under the pretext that Lah was writing stupidities, just as it is now claiming that the "Protocols" are a thing of the distant past. But the answer is simple: Who has seen an intelligent anti-Semite and intelligent anti-Semitism?

The Jewish Lobby and the Serbs

As in the "Lah case," the silence of the Slovene intellectual establishment about anti-Semitism was also repeated with respect to the Star of David, MLADINA's aphorism, and the publication of the "Protocols of the Elders of Zion." Except for the editor of REVILJA 2000, Peter Kavcic, journalist Jus Turk, and, naturally, Dr Mladen Svarc, none of the fighters for democracy and equality condemned the printing of the racist "Protocols." The Slovene Commission on Relations with the Religious Communities notified the Federation of Jewish Communities that it had informed Joze Smole about their protest over the "Protocols," but he had not responded to date.

"I see the most important reason for the existence of 'formal anti-Semitism' in Slovenia as being the fact that anti-Semitism is used as a substitute for other political goals," stated Dr Svarc. "The manipulation of the Star of David, the publication of the 'Protocols,' and so forth, are not aimed at Jews. Their real object is political power. The problem is that a party, regardless of whether it is in power or in the opposition, treats anti-Semitic propaganda as its party ideology. That is why the thesis that Jews are pro-Serbian has been systematically circulated in Slovenia for a long time now. The most obvious example of this is Krunic's interview in MLADINA, in which he said that the Jewish lobby was giving strong support to Milosevic, and that Jews, who once suffered

serious pogroms, were now putting themselves in the role of the oppressor. If the public prosecutor and other sociopolitical authorities in Slovenia do not want to clean up their dirt with the 'Protocols,' we Jews will have to appeal to the federal prosecutor; this shows the obvious intention to have Jews drawn into the disputes between Slovenia and the federation."

This view is also shared by Prof Ljuba Tadic, the president of the Serbian-Jewish Friendship Society. In just the few months of its existence, the Society has gained 3,000 members and has done a great deal to establish ties between the two peoples. That intensive activity has classified it as part of the "Jewish lobby" that is helping the Serbs.

"The Jews, completely innocent, are now being pushed into our interrepublic quarrels," Tadic stated. "People are sparing no weapon in that dirty war, and that is the reason for the disgraceful assessment that Serbs want to exploit the Jews. Also targeted is our Society, which does not have any political goals whatsoever, but is conducting a struggle against hatred, and for friendship, love, and humanity. The tragedy of our situation, however, is that in a country inflamed with hatred, the one most hated is the one who does not know how to hate, because he points out the senselessness in which we are competing. That is the essence of the message that came from Zagreb, on the eve of the founding of our Society, to Dr Kadelburg, the president of the Federation of Jewish Communities: 'What are they doing to you in Belgrade?' What kind of friendship society can there be when we have all agreed to be enemies? Already today one can clearly perceive the outlines of a strategy to discredit and compromise our Society, not only among our public, but the foreign public as well. I recently read a very vulgar article about our Society in RHEINISCHE MERKUR by Ivan Ivanji, Tito's translator."

One of those who do not have a high opinion of the Serbian-Jewish Friendship Society is its one-time founder, writer Filip David. When the Society protested against the misuse of the Star of David, he announced that he was leaving not only the Board of Directors, but also the membership, because by doing this the Society was turning into a political organization. Immediately afterward, Filip David joined the Association for a Yugoslav Democratic Initiative. And regarding the statements by some of his fellow Jews, who were members of the Serbian-Jewish Friendship Society, David wrote the following in the weekly DANAS:

"Those are idealized statements about a lasting and never violated friendship, and about the historic and pious mission of the two peoples; this really ignores the historical truth and the essence of Serbian-Jewish relations, which have quite normally passed through their good and bad periods, and have often been complicated and complex, even with tragic consequences caused by several historical, political, and economic circumstances. A syndrome is thus being manifested in a recognizable form that Broh calls 'internal anti-Semitism.'"

The Goldstajn Case

A book by engineer Vladimir Zerjavic, "Yugoslav Population Losses in World War II," recently came out in Zagreb. The Jewish Community in Zagreb had intended to issue that book, but in the end it only "helped in the author's research and the preparatory work." The editor of the book and the writer of the introductory remarks was Slavko Goldstajn. He wrote that "from now on, no discussion about the number of victims in Yugoslavia can neglect Zerjavic's result." Zerjavic "scientifically" determined that in all the camps of the Independent State of Croatia, 133,000 people were killed, which means that the number of Jasenovac victims was also somewhere at the level claimed by Kuharic and Tudjman. All of this is stated by the president of the Jewish Community in Zagreb, who knows quite well that Jasenovac alone swallowed up 25,000 of his people. The book does not even mention the suffering of the Macedonian Jews, although exact transport lists with their full names have been preserved.

In a discussion of Milan Bulajic's book "The Ustasa Crimes of Genocide" that was organized by the Zagreb Jewish Community, Slavko Goldstajn was the most eloquent defender of Zerjavic's book and challenger of Bulajic's theses. He claimed that Artukovic's trial was flawless, that "nothing, de facto, had been covered up about the Independent State of Croatia," that no conspiracy of silence and no reduction in the number of the victims of genocide existed, that he was from the Karlovac region, "from which there were the most victims, and the least went to Jasenovac," that it was "mandatory" to assist in the publication of Zerjavic's book so that the real truth about the victims would finally be known, and so forth.

"Goldstajn's preface to Zerjavic's book was the first sign of a split within the Jewish community," stated Klara Mandic. "It is incomprehensible that a member of the Jewish people could play with the numbers and reduce the number of the victims of genocide. Goldstajn's statements aroused surprise even among Jews living in Israel. A group of lawyers from the Society of Jews who had lived in Yugoslavia requested that they be sent a transcript of the discussion at the Jewish Community."

Dr Lavoslav Kadelburg, the president of the Federation of Jewish Communities, is in an extremely awkward position. He represents the entire Jewish diaspora in Yugoslavia. Any split within it could have tragic consequences. For that reason, he stated:

"In all crisis situations we have managed to find a defensive front and remain united, as happened, for instance, at the beginning of the 1970's during the Maspok [Mass Movement], which was an attempt to have Jews declare their support for Croatia in an organized manner. I believe that that will be the case now as well. We talked about the Goldstajn case at a meeting of our Board of Directors. I can only say what I wrote in a review of Zerjavic's book for our JEVREJSKI PREGLED: 'From the Jewish standpoint, it is only significant that the number of Jewish victims can be determined with reasonable certainty, and therefore it is not clear what the special interest was of the Jewish Community in Zagreb, which offered assistance to the author in his research.' Our position is that the Jewish community should not become involved in haggling over the victims of genocide and make judgments on this."

[NIN] How much have the Jews been drawn into our interethnic conflicts?

[Kadelburg] They have been drawn in as Yugoslav citizens, and not as Jews. Individuals take positions in accordance with their sympathies, or because of the environments in which they live.

[NIN] The theory has been put forward that a Jewish lobby is helping Milosevic?

[Kadelburg] That statement by Krunic indicates anti-Semitism, just like the indubitable anti-Semitism of the provocations with the Star of David, MLADINA's aphorism, and the publication of the "Protocols of the Elders of Zion" by TRIBUNA, to which no one is reacting. As far as the theory that a Jewish lobby is helping Milosevic is concerned, I can only say that if the Jews in Serbia are coordinating their actions with what benefits Serbia, then that is not assistance to Milosevic, but rather to the progress of one region of our country. That also applies to the conduct of Jews in other parts of Yugoslavia.

[NIN] Are the positions and activities of the Serbian-Jewish Friendship Society causing reactions in Slovenia? Enriko Josif and Ljuba Tadic stated when the establishment of the Serbian-Jewish Friendship Society was not allowed the first time that they would consider it an act of state anti-Semitism and that if the Society disrupted equality among peoples, Croatian-Jewish, Slovene-Jewish, and Moslem-Jewish friendship societies should be established.

[Kadelburg] The Slovenes are in principle allergic to any homogenization and unity in Serbia. As for our position as a Yugoslav organization on the founding of the Serbian-Jewish Friendship Society and any similar one, we will not oppose anyone who wants to be our friend.

GERMAN DEMOCRATIC REPUBLIC

Environment Minister Questioned on Water, Other Issues

90EG0044A Leipzig LEIPZIGER VOLKSZEITUNG in German 27 Oct 89 p 3

[Willi Tank report: "Healthy Environment, a Big Demand on Everyone Day by Day"]

[Text] "Mr Minister, I am a citizen from Torgau, and when I consider what has been asked thus far, I have to surmise that I am at a meeting of nonswimmers. Swimming is not permitted in the Big Pond. This means a genuine worsening in the quality of life. I am saying that the problem and, above all else, the water in the Big Pond must be cleared up, and soon." The citizen's name is Herbert Lehmann, and his problem applies to many from Torgau. His comments were made during a forum with Dr Hans Reichelt, minister for environmental protection and water management, on Wednesday (LVZ [LEIPZIGER VOLKSZEITUNG] carried a report on this). Citizen Lehmann got his answer from an authoritative source. Yet everything that led up to that was undoubtedly of interest not only to "nonswimmers."

The GDR's environmental policy was being debated, and at the beginning of the forum the minister had provided a great deal of information. The central problem continues to be how increasingly more intensive economic development is linked with declining production consumption, the most efficient use of energy, material, and water, and how to succeed in redirecting waste products back into the cycle. In the 1980's energy costs per unit of production have declined to 69 percent, the use of raw materials and materials with a 37-percent increase in national income because of good management has declined to 96 percent, 96.5 percent of all citizens are connected to the public drinking water system. Since 1975 the use of mineral fertilizers in agriculture has been reduced by 10 percent. And in spite of all this progress: Only 40 percent of the waste products are reused in the GDR economy. Burdening bodies of water with heavy metals and chemical substances which stem from agricultural use of pesticides and herbicides is the source of special concern. Almost 5 million tons of sulfur dioxide emanate from the GDR which creates problems for us and our neighbors. That is why the method of generating energy and its efficient use have such a high priority in the environmental policy. The minister's summary: In our country we have greatly strengthened our efforts for a healthy environment in the past few years, but we still have a large number of areas where can do many things better.

In this connection there was a question from Eberhard Henke: "In my mind one problem has been badly neglected. What priority does nuclear energy have in the long-term energy policy? And one further question: Where is our nuclear waste?" From the minister's response: 10 percent of the electric power in the GDR at

present comes from nuclear energy, the Stendal nuclear power plant will bring an increase in the 1990's so that the level will be 14 percent. Wastes with little radiation, including tools and clothing, are deposited in a pit in Magdeburg Bezirk. The nuclear energy authority provides for regular controls there. Heavily loaded residues are sent back to the Soviet Union and reprocessed. The GDR does not have any such processing plant. Minister Reichelt also said: "We do not store any nuclear waste from the FRG, nor any poisonous waste, for that matter."

The comment by Achim Heinitz from Schildau met with the approval of the 400 forum participants: "State subsidies for private consumption of water and energy are so high that they favor wastefulness. Is the Council of Ministers giving any consideration to changing that?" Minister Reichelt reflected only briefly before responding by saying: "There are so to speak two souls in my breast. As minister of environmental protection my response is unconditionally yes, sensible subsidies are a means to influence consumption. This is also being considered. Every year M 720 million are spent, for example, on subsidies for the the drinking water supply. But there is also another side, a social side, which must be considered with any change in price. Let us leave the decision to public discussion in the next few months."

Back to the Big Pond of the people from Torgau. Council chairman Rudolf Fey joined in responding to that issue. Municipal, agricultural, and industrial waste waters are the cause of the poor condition of the water. The layer of sludge is 2 meters thick. The first steps are being taken with the construction of purification plants in the Schildau meat processing enterprise and the Mockrehna KIM [industrial fattening combine]; of course, the impact of these will not be felt until the 1990's. At present there is no appropriate equipment at all in the kreis to remove the sludge. According to Rudolf Fey "no one can say today when it will be possible to swim in the Big Pond again." Minister Reichelt suggested consulting once again with experts, something which can be done in the interest of the citizens in the Big Pond. The kreis assembly is preparing a program for environment and water management for 1990. The forum can be the starting point for involving more citizens than before.

Shipbuilding Combine Director on Future Goals

90EG0049A Rostock OSTSEE-ZEITUNG in German 30 Oct 89 p 4

[Interview with Juergen Begemann, director of the GDR Shipbuilding Combine, by Karin Gehrke: "Where Do We Go From Here in GDR Shipbuilding?"; date and place not given]

[Text] OSTSEE-ZEITUNG: Conversations, discussions—these days and weeks are all over our country. A meeting of all employees at the Neptune Shipyard, we reported on that. Many problems were cited—how are things progressing?

Begemann: We are, of course, continuing the dialogue. In the enterprise. Right after the 10th Central Committee meeting we will renew the invitation to the clubhouse. For example, in the enterprise newspaper we will respond to many questions which were asked. We will reach many people this way. That is no substitute for discussions in the collectives. I myself visited many collectives. And not just since today.

OSTSEE-ZEITUNG: What is the combine doing to make socialism more appealing? For example, a reader from Greifswald would like to know specifically whether our country is still making a profit from exporting ships?

Begemann: First off I have to say that the demand for ships by far exceeds our capabilities. The order books are full, with almost everything under contract up to 1993. Some 50 percent of all ships in the international merchant fleet will be more than 15 years old in 1991. Experts know that a large number will have to be replaced in the next 10 years by new ships. Thus, the shipbuilding industry has excellent opportunities for sales. Because of this situation we have revised our program and started on ships which are especially profitable. The Neptune Shipyard's program makes this eminently clear. It has gone back into building cargo ships this year. The new Neptune MPC900 ship model was developed, 10 ships are under contract. We will again make unprecedented extra profits with this model.

OSTSEE-ZEITUNG: And what is in it for the enterprise and the combine?

Begemann: We need high profits to finance research and development, to rationalize the investments which we are implementing in order to feed the social assistance fund. High profits mean maintaining the lead in order to market ships which equal the international standard not only in the next 2-3 years, but to be present with high quality products by the year 2000. Thus, I can only underscore what Egon Krenz said. To increase the rate of amortization, in particular to rationalize production. As an export-based combine this is particularly important for us, even with an eye on self-financing starting in 1991 there is only one alternative: profits up, costs down. We started down this path in 1989. This year in the combine we are realizing investments worth M 440 million. The addition of machine tools, flame-cutting equipment, many small rationalization means demonstrated that we are serious about rationalizing and renewing the basic assets.

OSTSEE-ZEITUNG: This issue is affecting many shipbuilders.

Begemann: I must say straight out that we will not be able to renew all machines in the next few years since the means which we will gain through good management will still not be adequate to do so. That is why I have turned to all the collectives to produce goods of high utility value, and on the other hand to do everything they can to keep costs down. Then we will have the means for further rationalization. I say this very clearly: The shipbuilding industry has survived the crisis without

reducing capacities because of the plan economy and the long-term contracts with the USSR. It is ready to earn even extra profits. But nothing will just fall into our laps. I must admit that we have received subsidies and effective 1991 we will produce without subsidy the ships which have been under contract since 1989 and will make a greater contribution to the national income.

OSTSEE-ZEITUNG: Thus, economic growth and the market together with its specific requirements are clearly the measure which sets the focus of your combine—what are the consequences of that for management?

Begemann: I always say: Performance is only as good as management! In order to guarantee our position in shipbuilding on a long-term basis I have identified steps to guarantee the unity of design, construction, technology, rationalization, including purposeful use of investments. Questions of technology and the organization of production must be decided with the development of products. The key issue here is not only to build products which are outstanding on an international scale, rather we must build them with the most modern equipment, with cost-lowering technology and processes and also improve working and living conditions. We have a clear plan for this. In particular, we need a modern enterprise organization. In my opinion this is where the largest performance reserves are to be found. With the help of modern forms of organization we must, with computer support, get the sectors of the shipyard operating smoothly so that when they are producing several types of ships they fulfill their tasks in a manner appropriate to the technological sequence of operations. At the employee's meeting many of the workers justifiably criticized the fact that too many duplicate jobs still occur, as do many down times. One trade waits for the other. We now need practical action. The current practice of several managers passing decisions toward the top must be relegated to the past. Managers must acquire more authority through technical knowledge, by performance. But it must likewise be clear that decisions which are made following thorough consultation with the collectives must be implemented and no one has the right to undermine these determinations or to interfere with those responsible.

OSTSEE-ZEITUNG: That is heading in the direction of more codetermination—more democracy?

Begemann: Yes, of course. But democracy cannot be a one-way street. Not only from the top down, it must also work the other way around. Everyone must respect the work of the others. Building a ship is a large collaborative job. Everyone is essential. Many obstacles in the reorienting process can be more quickly overcome if we respond more definitively, if we do not put problems off, if we no longer react with a "yes-and-no answer." Whatever doesn't work, doesn't work. That has to be stated clearly and with justification. Whatever can be done, must be done.

OSTSEE-ZEITUNG: For several months in the OST-SEE-ZEITUNG we have been having a discussion on "Of what value is the engineer in our country"—triggered by Dr Otto Philipp—a member of your combine. Engineers also want to make socialism better—do not want any restriction on the inquiring mind and creativity. Are their accomplishments not basically decisive for the development of our economy?

Begemann: That is exactly how I see it. The enormous renewal process in our country is also a great challenge to engineers, for about 10,000 advanced school and technical school cadres in our combine. With them we must guarantee the development and production of more than 20 ship models by 1995 in a manner that is appropriate to the market and cost-favorable. That is, in fact, the starting point. Thus, through his work the engineer makes decisions about international market value of a ship and production costs. He must therefore be creative, seek out discussion about optimal solutions. We need more quality in research and development. I agree with preferring fewer staff workers who are more productive. I am prepared to give them special incentive. Some who work here as special sector employees must, of course, be offered another job. It is necessary, and this must begin with the director general, to establish for the engineers very clear performance requirements. I am also in favor of having engineers work not only at the drawing board and computer, but also having them speak with the customer in order to find out what he expects in the future. On the other hand, it is equally important that they consult even more intensively with the work collectives which apply their ideas in production. We must also put an end to research bureaucracy. Many things can be done better without the Tasking Workbook [Pflichtenheft]. We need only know what we want, the economic objective must be clear, the precalculated cost—and then the work must be done. The director general must be authorized to work—without large mountains of paper. And project defenses should involve only people with expert knowledge, experts from the shipyards and the enterprises of the combine, from the science-production cooperation group or from advanced schools, and not science and technology administrators.

OSTSEE-ZEITUNG: How does the director general encourage his engineers?

Begemann: Well, first by preparing ships for the market which are not just standard. We need a productive climate for discussion, contentious engineers like Otto Philipp whom in the meantime I have asked to take over as manager of the combine's scientific-technical center. He will have the best opportunities here to transfer his good and new ideas to the entire collective. With a great deal of commitment he has pleaded for stopping further disparaging of engineers. And now he has the opportunities and the duty to apply his good ideas in the WTZ [scientific-technical center] and in the entire combine. I recently appointed a young engineer as manager of the product development sector in the main enterprise, and

the new director of the DMR [Rostock Diesel Motor Works] is only 34 years old. We need young, able people with a zest for action who are prepared to go new ways.

OSTSEE-ZEITUNG: Thus, there is also the courage for risk in these issues.

Begemann: In all honesty, yes. Even for me that is not simple. I must always exert myself before I reach these decisions. But I believe that that is right and essential. At age 33 I myself was in a responsible position. It is important that older colleagues in management activities, who have produced and done a great deal, not be shoved off into the corner, but rather be entrusted with other tasks which match their strengths. Absolutely no one should be in a position for more than 10 years. In my experience that is when creativity diminishes for the most part.

OSTSEE-ZEITUNG: You yourself have been director general of the shipbuilding combine for only 1 and 1/2 years, took over management when the combine was in a critical situation... Were these considerations decisive when you agreed to a change?

Begemann: Of course. I spent 14 years at a desk, first as director of technology, then as deputy director general in the shipping and harbors combine. The time was useful, but almost too long because this, too, gradually became routine. Useful, because today I see shipbuilding from the operator's point of view as well and know what is needed. This was and is a genuine challenge for me.

OSTSEE-ZEITUNG: One last question: Do we not need a more effective principle of performance for everything? You could not miss hearing the demand for that even at the meeting of the employees.

Begemann: I share that belief. On the one hand, we must utilize our capabilities better and pay more to those who do more. On the other hand, those who do not perform must receive even less. I am against egalitarianism. But there was never anyone working for me who said that he was getting too much for what he does. We are working jointly with the trade union to find new forms of a performance-based wage policy. There are many contradictions which require immediate solution.

Freedom To Travel Raises Question of Currency Exchange Rate

90EG0042A Hamburg DIE ZEIT in German
3 Nov 89 p 27

[Article by Nikolaus Piper: "What Does Freedom Cost?"]

[Text] For 40 years GDR Germans had been waiting in vain for the self-evident right to leave their country at will. Now the longed-for freedom to travel seems to be coming much more quickly than anyone dared to hope—just 3 weeks ago—and this raises the question of the cost of this freedom. Does the GDR have the money to let its

17 million citizens go on vacation to the West? If not, must we in the FRG finance the new inner-German openness?

A remarkable debate has begun here on this topic. Hans Buechler, SPD [Social Democratic Party of Germany] Bundestag faction spokesman on Germany policy demanded, for example, that in the future GDR citizens would have to have the opportunity to bring their own currency into the FRG and exchange it at an "acceptable rate"; the resulting losses should be paid for by the FRG Government out of the traditional welcome money for GDR visitors and by the GDR from the money derived from the compulsory exchange. Kurt Biedenkopf of the CDU [Christian Democratic Union] who has different ideas proposed an interest-free overdraft credit in favor of the GDR to be designated for travel purposes, a "travel swing." And Berlin's governing mayor, Walter Momper, called for a "GDR travel operation" in the FRG to finance "low-cost" group trips for GDR citizens, including overnight stays in youth hostels. According to Momper, the FRG had always demanded the freedom to travel for GDR citizens, "now we must also make good on it."

Must we actually keep the promise in the GDR about freedom of travel? And are we really in a position to do so?

The primary economic problem in connection with inner-German travel is the fact that GDR citizens receive their income in a currency which is worthless outside the worker's and peasant's state. It may not be imported nor exported and it cannot be used in commercial foreign trade. Every "exchange" of East German marks for West German marks outside the GDR is accordingly a gift to the person with the East German marks. Nevertheless, there is trade here in East German marks (current price for 1 East German mark is about 12 pfennig), in which the buyer of course assumes the risk of smuggling the East German marks illegally back into the country. Stated in another way: If they leave their country, GDR citizens are dependent on getting the money for their subsistence as a present—either from relatives and friends, from the FRG Government, or from their own country. This is a part of the patronage which is present in the logic of the GDR economic system.

Thus far, GDR citizens who travel to the West receive DM15 in pocket money in their own country by "exchanging"; in addition, social assistance offices in the FRG pay DM100 in welcome money. Last year the total cost for this welcome money came to DM261 million. This was why it was actually possible for 2.7 million GDR citizens to travel to the West last year.

In principle, the GDR would have to be able to substantially improve the money supply for its citizens for trips to the West. Given Eastern bloc conditions its foreign currency situation is still good: The GDR has deposits of about \$10 billion in Western banks and has relatively modest net debts of \$7 billion. Moreover, it profits from its close economic ties with the FRG. The lump sum transit money for Berlin traffic will increase next year by

more than DM300 to DM860 million. From the increase alone it could pay out to each person traveling to the West this year DM100. Moreover, East Berlin takes in about DM500 million from the compulsory exchange which applies to travelers from the West.

Nevertheless, the foreign currency problem is not only an argument put forth by the SED [Socialist Unity Party of Germany] functionaries to ward off disagreeable demands for more freedom. The GDR does in fact suffer from a chronic lack of foreign currency and the desire on the part of its citizens to travel threatens to place a heavy burden on the GDR economy. The reason for this rests in the system: competitiveness in industry has dropped dramatically during the 1980's; in foreign trade the GDR realizes just 15 pfennig for 1 East German mark. It is becoming increasingly difficult to find buyers for GDR goods abroad. At the same time the hunger of GDR enterprises for foreign currencies for imports is becoming increasingly greater.

In the short term there is no way out of this dilemma. Any GDR Government, even one that is very open to reform, will be forced, short of a fundamental change in the system, to introduce some kind of foreign exchange control. But the FRG Government is likewise not in a position to relieve the GDR of the pressure to seek a balance between its citizens' desires and those of the foreign currency-hungry combines. The government in East Berlin itself must—within reasonable limits—finance its citizens' travel. If the GDR were only prepared to earmark its income from the compulsory exchange, then its citizens would have 10 times more money during trips to the West than they do today. If the GDR citizens had the right, as in Poland and Hungary, to maintain DM accounts in GDR banks, they would at least be in a position to use their modest foreign currency as they wish as well as to finance travel. And with a reform-minded government in East Berlin the FRG Government would be able to agree on a model which would make it possible for GDR citizens to receive their welcome money at home rather than in the FRG.

The FRG can scarcely do more. Like other socialist countries, for its economic recovery the GDR needs support from the West. Priority projects surely do not include extensive gifts for travel.

HUNGARY

Computer Marketing, Plummeting Prices Discussed

25000531B Budapest NEPSZABADSAG in Hungarian
31 Oct 89 p 8

[Article and interview with Dr Peter Vadasz, Mikrosystem Small Cooperative chairman, by Katalin Magos: "Computer World in Hungary"]

[Text] The microcomputer market is regarded as a cuckoo's egg in Hungary's economy. This is in part

because of the oversupply, and in part because microcomputers are not affected by steep inflation and multiple forint devaluations, and they constitute lower priced merchandise. There is a close relationship between these two factors of course, even though the oversupply was triggered by the regrettable decline of demand by persons with an ability to pay. The result is a price war among sellers. It is hoped that in the end users will turn out to be the winners.

Hungarian computer firms offer more and more discounts, and values that start out as seasonal, exposition prices frequently become permanent prices. In competing for clients, Mikrosystem Small Cooperative announced to its steady customers a sales promotion based on the "Most Favored Nation" principle. If any other Hungarian firm beats Mikrosystem's price for equipment having the same capacity in the course of the year, Mikrosystem will refund the price differential to its steady customers. Chairman Dr Peter Vadasz had this to say about the causes and extent of plummeting prices:

"During the past 3 years computers that are compatible with the trend-setting IBM PC have been costing 10 percent of their original value in Hungary, and thus also at our firm. They cost less than half of what they cost last year, while the capacity and speed of these machines has increased steeply, perhaps at the same rate at which the prices have declined. For example, three and a half years ago Ofotert offered original IBM AT equipment for 3.2 million forints. By now, the parameters of this model are obsolete, they no longer manufacture the AT. Equipment twice as fast as the IBM AT, with greater capacity now costs less than 200,000 forints."

Compared to West European prices, these prices come close to the possible minimum. We find a large difference only if we consider the fact that beyond the Lajta river a high capacity personal computer may be purchased for a person's average wage earned during a 2-week period.

Direction: The Far East

Let's be happy about the situation for the time being, about the drastic drop in prices during the past 3 years brought about jointly, by several factors, according to Vadasz. Equipment prices also declined abroad, though not at the rate as they did in Hungary. A majority of Hungarian dealers have learned where and how to purchase computers and components. Instead of buying them from West European dealers, they are increasingly turning toward the Far East. On the other hand, as a result of import liberalization, parts and components cost about half the amount they cost earlier. Vadasz mentions yet another factor. This factor—the declining profit margin—reduced the price of microcomputers in Hungary by "only" between 30 to 40 percent. Vadasz knows of no other trade in Hungary where the profit margin would have been as high as in the computer field. Computer firms were forced to reduce their profit margins in order to sell their products.

"Even if we are clever, the average profit rate at Mikrosystem is 15 percent on the average," according to Vadasz.

Despite all this, during the first half of this year Mikrosystem's sales revenues increased by 60 percent over the same period last year. But since equipment prices dropped by half in the intervening period, this means that their sales volume is three times as high, and they hope that by the end of the year they will have sold 4,000 personal computers.

Vadasz had good reasons for mentioning "parts and components" when he spoke about purchasing, and "equipment" when he talked about sales. In most instances this pattern characterizes Hungarian manufacturing, the computers "Made in Hungary." While the cartons in which the equipment is sold proudly bears the names of Hungarian firms, the truth is that at most between 10 and 20 percent of the equipment value is produced in Hungary. This is not a uniquely Hungarian feature. In West Europe and in the United States many computer firms claim to be organizations that add value to parts and components manufactured elsewhere. Generally, these firms make large volume, low cost purchases of hardware components and complete software produced by cheap labor. They then assemble these products and add to them their own products according to customer requirements.

It is characteristic of the large-scale international division of labor that international computer firms like Olivetti buy their components, or have their components manufactured at different places, and sell equipment assembled from these components under their own labels.

The Hungarian COCOM

Mikrosystem works in the same way. Most of its 120 employees develop software, the rest buy components in the Far East and put together computer assemblies like in a custom tailor shop. They are forced to do so, if for no other reason, because Hungary buys most of its computer parts—including circuit boards, microchips, and floppy disks—from capitalist countries, because these are not manufactured in either the socialist countries or in Hungary. For example, the Hungarian Optical Works [MOM] has been struggling with the manufacture of floppy disks for 20 years, but we could include here keyboards and monitors as well.

"Under no circumstances could the main components of computers be efficiently manufactured in Hungary because of the size of the series we would have to produce," Vadasz says. "What's left for us then is the manufacture of a few boards used to link the machines, the cabinet worth 2,000 or 3,000 forints, and the supply unit."

One cannot avoid mentioning the severe restrictions imposed by Hungary during the past years, which have also affected computers. The restrictive measure which imposed a 25,000-forint customs duty last year is referred to by many as the Hungarian COCOM. It is

apparent that these measures had a decisive influence on the composition of all computers in Hungary. According to KSH data, of the 90,000 computers owned by the state or by cooperatives, 88,000 are microcomputers, and this ratio is substantially different from what we find in developed capitalist countries.

[Vadasz] "Because of pricing and other financial restrictions, and as a result of the embargo, things evolved in unfortunate ways during the past years. In no way could we import larger machines; we were able only to import PC's, because machinery imports from socialist countries have virtually ceased and importation from capitalist countries was hampered by financial consideration and the embargo. In the meantime, however, the knowledge, capability, speed, and processing capacity of PC's has increased to such an extent that PC's satisfy the needs presented by enterprises of the size we have in Hungary. PC's or PC networks are able to perform 99.9 percent of the tasks needed to be performed in Hungary."

Further Reductions

[NEPSZABADSAG] "Just one more question: Should we expect further reductions in Hungarian computer prices?"

| | Dec 1986 | Dec 1987 | Jul 1988 | Sep 1988 | Nov 1988 | Jan 1989 | Mar 1989 | May 1989 | Jul 1989 | Sep 1989 |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Minimum price | 530 | 265 | 236 | 160 | 160 | 160 | 160 | 172 | 135 | 140 |
| Maximum price | 690 | 480 | 395 | 380 | 390 | 299 | 295 | 290 | 283 | 235 |
| Average price | 613 | 381.182 | 324.633 | 282.588 | 273.804 | 255.129 | 243.301 | 222.809 | 196.661 | 170.858 |
| Average price Dec 1986 price index (in percent) | 100 | 62.183 | 52.958 | 46.099 | 44.666 | 41.62 | 39.69 | 36.347 | 32.082 | 27.872 |
| Average price Dec 1987 price index (in percent) | 160.816 | 100 | 85.165 | 74.135 | 71.83 | 66.931 | 63.828 | 58.452 | 51.592 | 44.823 |
| Average price Dec 1988 price index (in percent) | 223.882 | 139.217 | 118.564 | 103.208 | 100 | 93.179 | 88.859 | 81.375 | 71.825 | 62.401 |

Prices include 640K memory + 1 X 1.2 megabyte floppy disk drive + 20 megabyte Winchester hard disk + color display. Prices (in thousands of forints) do not include general sales taxes.

Source: National Statistical Office [KSH]

POLAND

Coal: Intergovernmental Organizational Squabbles Halt Reform

90EP0187A Warsaw POLITYKA in Polish bx; INo 48, 2 Dec 89 p 5

[Article by Andrzej Mozolowski: "He Who Does Not Swim Drowns. Coal Triumphant; Steel Plants to the Scrap Heap?"]

[Text] What about that coal? So much is being written about it, and from so many standpoints: either that miners are exploited, underappreciated, and ill-paid, and are remembered only when a severe winter and a coal shortage are in the offing, or that mining is a bottomless hole absorbing national wealth and operating inefficiently and wastefully.... The subsidies for black coal mining amount to 1 trillion zlotys, "an amount so

[Vadasz] "I am unable to provide a categorical yes or no answer, because there were times when I thought that we had reached the minimum value, that prices cannot be reduced further, because if we did we could shut down our operations. Nevertheless I do not believe that one could expect a significant future drop in PC prices. And if there is one ... that's why we thought of our 'Most Favored Nation' sales promotion."

Vadasz supports his view by saying that customs duties are already at the minimum. They amount to 8.6 percent on parts, and 20 percent on components. No significant change may be expected in PC world market prices either. And further, a majority of the Hungarian computer firms cannot reduce their profit margins further, simply because they have no reserves.

[Vadasz] "This is why we are pleased that Mikrosystem is not merely a hardware firm. We perform functional assembly, testing, and long-term trials with components imported from the United States and from the Far East, and then we develop complete, custom computer systems mostly with our own software. Our philosophy is also expressed by the sign on our Varosmajor Street headquarters: the huge, outreaching hand and the slogan: software and hardware in one hand."

monstrously huge," a letter to the Editor says, "that it may dumbfound an ignorant reader. On foreign markets the prices of coal range from US\$40 to US\$100 per metric ton, depending on quality. In terms of the domestic price according to the official rate of exchange this would yield 40,000 to 100,000 zlotys per metric ton of coal. In other words, these (conversion) prices are higher than the extraction cost, which amounts to 30,000 zlotys per metric tons... and they are even higher now that the exchange rate of the dollar for zlotys has been increased. Therefore, in theory, the black coal mining industry should be self-supporting!"

That anonymous reader signed his letter "An atheist" (that is half the problem, what is worse is that he is so fearful—for God's sake, what is scaring him?) and seems quite conversant with mining affairs as ensues from subsequent passages of his long letter. Even so, he sounds confused. What about the others, who are unfamiliar

with these problems but want to know why coal is in such disastrously low supply and how much will it increase in price? Double? Triple? Quadruple? And when? And is it necessary? And who is in the right here?

The heads of miners' Solidarity accuse the director of the Black Coal Community of lying, whereupon he leaves the meeting room and slams the door behind him. The OPZZ's [party-sponsored National Trade Union Alliance] views mining problems differently. Likewise, the Ministry of Industry has its own opinion on this topic, and its own program which, to boot, is a government proposal that, however, excludes... the Ministry of Finance, which is not in agreement with it. Then also there is the conflict between the mines and their top administrative structures headed by the Black Coal Community, as well as the deep antagonisms dividing miners from the administration, which is accused of arrogance and even, here and there, of brutal behavior toward stope miners.

Disentangling this knot of conflicting judgments and rationales is an unusually difficult, if at all possible, task.

The Facts

Let us begin by stating facts which, I believe, are not open to doubt. Thus:

—This year the state budget subsidized black coal mining not with 1 trillion zlotys according to our "Atheist" but with 2.3 trillion, and that only until November. This is a disastrous fact; mining has indeed become a gigantic bottomless hole. Is that any fault of mining? Hardly any. It is simply that coal is sold at very low prices in this country but exported at high world prices. The amount of the subsidy equals the difference between the so-called transaction price, i.e., export price, converted to zlotys, and the average domestic sales price of coal. And since the official rates of exchange of foreign currencies are rising steeply (during this year alone, so far, to more than 3,000 zlotys from 1,000 zlotys per United States dollar), this difference in prices, reckoned in zlotys, has soared to the skies. By the same token, the subsidy is rising proportionately. Thus it is not the miners that are at fault here but the inflation and the senseless subsidy system.

—It also is a fact that labor productivity in our mines is unusually low. Coal extraction per employee is one-half that attained in comparable mines in Great Britain. This is closely linked to the huge employment in our mining industry (altogether 650,000), or more exactly, in the administration, auxiliary departments, and social services. That is because mining enterprises operate a ramified network of sanatoriums, rest homes, recreational centers, canteens, health service dispensaries, hotels, hospitals, ski lifts, sports clubs, etc. These services are generally very useful and mining industry has reason to be proud of them, but this does not change the fact that they are an immense burden on productivity and coal extraction cost. An

oft-cited example is that of a certain mine which employs some 8,000 persons of whom only 850 actually mine coal, 2,000 are employed in the administration and auxiliary services, and the remainder... well, precisely....

Consider also the burden on the mining industry represented by the ramified coordinating structures that used to be called associations and corporations but now are termed mining supply enterprises [PEW] and the Black Coal Community. Then also there is the Coal Marketing Center, an agency which, in the opinion of some people, also is completely dispensable.

—And the last important fact: The coal extraction cost is not only extremely high and rising month after month (inflation) but also characterized by a broad variation. the cost of the cheapest coal, from mines with optimal extraction conditions, will be 34,000 zlotys per metric ton in December. At mines with difficult extraction conditions this cost will exceed... 253,000 zlotys per metric ton. Moreover, all the mines without exception will then operate unprofitably, in the red instead of in the black.

Suppose, the idea was broached, coal prices are increased by 100 percent?

Then, of the 70 mines "as many as" four would become profitable: Ziemowit, Miechowice, Andaluzja, and Manifest Lipcowy.

But suppose coal prices are tripled, increased by 200 percent?

That too would not help. Fifty-one mines would then still operate in the red.

In view of this, the Ministry intends to go even farther. Early next year it intends to quadruple or even quintuple coal prices, and at the same time to abolish coal subsidies completely.

But that is only one point in the program. The government has, it appears, three goals in sight, in its program for a mining reform.

The first goal is to maintain coal extraction at the present level while at the same time markedly reducing costs, attaining equilibrium prices, and abolishing subsidies. This means turning the coal industry from a "bottomless pit" into an industry profitable to both the state budget and the mines and by the same token making possible a seemingly increase in the wages of miners.

The second goal is to bring about the autonomy of mine workforces. This sounds banal and jejune, but in reality the Ministry views it as an unusually important matter. The point is to demolish the entire system for administering this subsector of the economy and hence also to demolish a way of thinking based on the assumption that coal is a strategic commodity, strategy means the army, and the army means discipline; as the saying goes, "Don't think! Follow orders!" Hence the apathy of the

miners, their lack of initiative, their resistance to the reform measures of recent years. Hence the focusing of intellectual effort at mines on juggling figures, on exerting the least effort in order to demonstrate optimal implementation of indicators imposed from the top. This is often done at the expense of both the quality of the coal supplied and concern for costs. Efficiency is disregarded and what mattered—and still matters—is volume of extraction and obtaining the highest possible subsidies. From the same well-springs—work on command—ensues the ruthless treatment of miners by the administration, the disregard for their dignity, and the generally poor labor relations at mines. All this is to undergo, according to the Ministry's intentions, a radical change.

Last, the third goal is to protect the environment being destroyed by the mines and associated industry—the salinated waters, the dust-polluted air, etc. The related situation in Silesia is so well known that no explanation is needed. In this respect, strange as it may seem, the intended marketization of coal management is to be of help. Thus, in order to begin developing a new mine it will be necessary to acquire a costly license. Other high fees payable to the State Treasury also are anticipated, including penalties for reckless treatment of coal deposits. All these fees and penalties will be used to establish a special fund of which a substantial part, earmarked for antipollution measures, is to be retained by the voivodship budgets.

Resistance Also Exists

The Ministry of Industry views the timetable for implementing its program as follows: Initially, even now, it wants to endow with total autonomy 23 mines (a substantial part, which accounts for 60 percent of aggregate extraction of coal) along with 15 industrial enterprises working for the mining industry.

The Ministry expects that realistic coal prices plus autonomy will free at mines initiative plus a previously unknown, "proefficiency" way of thinking. Meaning that, e.g., it would be in a mine's own interest to "trim the fat" off its administrative personnel. Similarly, could some of the mines' rest homes be turned into hotels for a couple of months each year in order to make them profitable? And perhaps some of the vacancies in the mines' comfortable sanatoriums could be opened to foreigners for hard currencies, as is being done by PP Uzdrowiska? And perhaps could the canteens be open to outside customers at hours when they do not issue meals to mine personnel? Likewise, might not the buses shuttling miners to work be hired out on Sundays for tourist purposes? Could not part of the mines' assets be sold or leased? Could not the coal dust be processed, as it once used to be, into briquets? Could not the mine electricians, fitters, plumbers, and carpenters, who anyway spend half of their time on "moonshining," be formed into a service brigade that would share a part of its earnings with the mine?

These possibilities are quite numerous, and only the mine personnel themselves can decide what is best for them, so long as they know that this is part of their self-governance.

As for the existence or nonexistence of the coal supply enterprises [PEWs], the Community, and the Marketing Center, and as for the breakups and mergers of enterprises and mines, the Ministry of Industry refuses to make a decision. It leaves such decisions to the miners themselves.

"The Silesian miners know better what they need and what they do not need," I was told by the author of the government proposal, Docent J. Maciej, "than we here in Warsaw. Let the miners themselves make decisions about mining!"

The Ministry views its role as that of creating the economic and legal conditions enabling mining to introduce efficient management and adopt market-oriented thinking. It wants to help establish a corresponding service bank as part of the "from the bottom up" restructuring of mining. It reserves for itself an advisory, training, and monitoring role, to make sure that no one would obstruct reforms in the field (any day now 40 agents of the Ministry are to depart from Warsaw for Silesia; British experts are en route). Only after some time, after the optimal restructuring of mining is achieved, the government will attend to revising the Decree on the Black Coal Community and the chairman of the Council of Ministers will issue an ordinance ordering the breakup (liquidation, mergers) of enterprises. But that is for the end. For now the Ministry seems to say: Gentlemen miners, the power is in your hands!

Such posing of the issue is being opposed by the Ministry of Finance, which believes that the decisions on the liquidation, mergers, and breakups of miners should be made centrally and by means of directives, as should be tight implementation deadlines, so that the matter would be resolved at one blow.

Others still claim that mining will not reform itself of itself, even if it is afforded the right conditions. After all, the people from the "structures" [the administrative top dogs] will not cut off the limbs on which they are sitting. These until recently strong-arm rulers of the mines are now intimidated by the domination of miners associated in trade unions and will focus on taking only decisions that are popular with the workforce, regardless of the longrange interests of the mines. And then also there is the miners' Solidarity....

Someone at the Black Coal Community has provided me with a copy of 14 demands of miners' Solidarity. Here they are:

1. Liquidation of all intermediate administrative structures and their replacement with new forms—of the inspectorate type—administrative decisions.
2. Immediate elections to worker councils.

3. Assurance of competitive appointment of managers at the plants where this is demanded by a majority of the workforce.

4. Immediate elections of all personnel directors at mines.

5. Immediate slashing of administrative overemployment and curtailment of employment at auxiliary departments of plants coproducing for "S" [the military] (shifts in production).

6. Retirement of overage administrative personnel.

7. Replacement of the director general of the Black Coal Community

8. Total replacement of the membership of the Supervising Council of the Black Coal Community.

9. Fixing an approximate date for ending the activities of the Black Coal Community.

10. Increasing the number of autonomous mines (primarily Makoszowy, Zabrze-Cielszowice, Powstancow Slaskich, Senin, and Jastrzebie).

11. Assuming control over extraction and over the spending of subsidies.

12. Access to the mass media, equal to that granted to subjects dealing with agriculture and cooperatives.

13. Rescindment of Resolution No 199 of the Council of Ministers.

14. Assent to control of extraction.

The person I spoke with added, "Can this be viewed as a serious foundation for reform? Or is it only the desire to seize control over the extraction of coal and the spending of subsidies, that is, the trade union's [Solidarity's] desire to assume power in mines without bearing any responsibility?"

It Will Happen of Itself!

The Government is determined to carry out a mining reform and turn mining into a profitable, modern, and market-based industry. The squabbles among the ministries will be eliminated in one way or another. It is to be hoped that a reasonable compromise will be reached with miners' Solidarity. The objectives will probably be accomplished. And then what?

Then unusually interesting things will be happening. Raising the coal price to at least 300,000 zlotys per metric ton will cause the previously marginal cost of energy to become a major ingredient of the operating cost of industrial enterprises. The dream of miners (and not only of them) will finally come true: energy users will be thus forced to begin conserving energy, in all ways. Who cannot swim, will drown.

In view of this, what will happen to the steel industry, that biggest energy user, which even now has raised the domestic prices for its products to nearly the level of

their export (transaction) prices? Well, what will happen is that the new higher energy cost will so burden its operating cost that the prices of its products will be higher than world prices. And then it would be cheaper to import these products, even if from the FRG. Then too our producers—producers of cars, refrigerators, machinery, canned goods—will prefer to import, e.g., the cheaper and better German or Italian sheet metal instead of buying shoddy and expensive sheet metal from Polish steel plants. This means tolling the funeral bell for our steel industry. This also means peril to other energy-intensive branches of industry, particularly the cement plants and the shipyards.... Yes, only then, once the cost of energy regains its proper importance, such as it holds elsewhere in the world, we shall really know what pays us to make and what does not pay.

Let us consider still more deeply: So the cost of energy and steel will rise... but it is the mines themselves and the associated industry that are such voracious energy and steel consumers. What will happen then? The (geologically) worst mines at which even now the extraction cost of coal amounts to a horrendous 253,000 tons per metric tons, and which work seams of such low quality that nowhere else in the world are they worked, will succumb to the high energy and steel prices and go bankrupt.

Thus, a goal which could not be accomplished by four successive governments in Poland, namely, the restructuring of industry, will spontaneously reach fruition of itself.

And on the occasion it will also turn out that, as a result of these market processes, coal extraction in Poland will decline from the current 170 million metric tons annually to some 120 million tons (this being the rough estimate of experts). It will also become evident whether by then, which is not so far off, we shall succeed in filling this gap with nuclear energy or whether we shall be doomed to abandon exports and import considerable quantities of coal.... Except, who would want to sell it to us?

ROMANIA

Achievements in Electrotechnical Industry

90EB0087A Bucharest MAGAZIN in Romanian
23 Sep 89 p 2

[Interview with Dr Eng Aurel Sandu, director general of the Central Institute for the Electrotechnical Industry, by Paul Ioan; first paragraph is MAGAZIN introduction]

[Text] In this period preceding the great communist forum, in a powerful atmosphere of political enthusiasm, all the collectives of working people and our entire party and people are discussing the Draft Program-Directive and Theses for the 14th party congress, which are documents of exceptional importance for the glorious future of the country and for the harmonious future development of Romanian civilization. As was pointed out strikingly by the recent working visits of Comrade

Nicolae Ceausescu together with Comrade Elena Ceausescu in Iasi, Suceava and Botosani Counties, all the people are stating their solidarity with the Decision of the RCP CC Plenum of 27-28 June on reelection of Comrade Nicolae Ceausescu to the high position of party secretary general with enthusiasm and full approval. Profoundly mobilized by the ideas, guidelines and directives of the leadership of our party and state, workers in scientific research and technological engineering are also concentrating their forces in an exemplary manner to successfully fulfill all the tasks provided in the plan. The electrotechnical industry is one of the branches promoting top technologies, in which the products and technologies achieved are catalysts for modernization, for growth in labor productivity and rise in the level of quality for other important sectors of the national economy.

In order to zero in on certain aspects connected with implementing the original solutions worked out in scientific research and technological engineering activity in production, Comrade Dr Eng Aurel Sandu, director general of the Central Institute for the Electrotechnical Industry, was kind enough to answer some of our questions.

[MAGAZIN] First, I would like to ask you to give us an overall picture of the directions toward which the creative efforts in this area of activity within the institute you head are being directed.

[Sandu] The activity carried out by the scientific research and technological engineering units in the Ministry of the electrotechnical industry is being carried out in conformity with the Program-Directive for Scientific Research, Technological Development and Introduction of New Technology for the 1986-90 period and the main directions up to the year 2000. As is also provided in the Draft Program-Directive for the next 5-year plan and, long range, up to 2000-10 the priority goals being kept in mind are seeking to assimilate new products and technologies which ensure the most effective implementation of the most valuable solutions for the purpose of raising the quality of the products and their competitiveness and reducing material and energy consumption and manufacturing costs. In this context, the efforts of scientists in this area are being directed toward increasing the degree to which the national economic sectors are being supplied with products, equipment, and technology, which would permit continual modernization; toward producing highly productive machine tools with multiple functions; toward continuing to reduce imports, toward fulfilling the forecasts of the program to improve the technical and quality level of products through the participation of specialists in the research units in putting into operation the assimilations and specialized technical assistance; toward following up on projects in operation in the enterprises as well as organizing the training of their own personnel, of the beneficiaries and executors and; last but not least, toward broad-scale use of substitutes which permit permanent reduction in the consumption of copper, aluminum and other scarce metals, without in any way affecting the performances of the products.

Technical Progress in the Rise of Production

[MAGAZIN] Within the limits of space given by this magazine, please give us some examples of the most representative achievements in new and modernized products and of the creativity of scientists in the Central Institute for the Electro-Technical Industry.

[Sandu] In order to better lay out the answer, I shall refer in order to several areas, each time specifying several new and modernized products. First, I would like to mention that in the 1986-88 period at the ministry level approximately 4,800 products were introduced into manufacture. In the area of machine tools, examples would be the machine for milling gears of drill bits (beneficiary: I May Enterprise, Ploiesti) with an economic efficiency of 64 million lei per year in the increase in production goods; the processing center with storage of multi-axle ends for processing of casing-type parts (beneficiaries in the machine building industry); a processing line for brake drums (also requested for export); the center for special processing of shields and hubs (beneficiary is the Craiova Electropower Plant), whose economic effect is more than a 10-percent rise in labor productivity.

In the electrotechnical area I would mention the common equipment system for supplying the trolley and bus lines with electric power (a 10-percent reduction in electric power consumption, with beneficiary being the county plant for Timis local transportation); variable continuous voltage regulators and readjustment control gear for electric traction (beneficiary: Arad train car plant, with around 210 tons/conventional fuel/car/year reduction in consumption); electric equipment for rectification substation for road traction (beneficiary: Ministry of Transportation, eliminating expensive imports).

In the area of fine mechanics and tools: diamantine rolls for rectifying crankshafts for trucks (beneficiary: Brasov Truck Plant, with economic effect being an 8 million-lei increase in production and avoidance of import); pressure gauge for 16-600 bars of pressure (beneficiaries in the chemical and petrochemical industry, avoiding imports); mining cutters for combines (beneficiaries in the mining industry, with increase in production being around 125 million lei).

In the area of automation: power and metro traffic dispatch system (economic effect being a reduction in consumption of 2,280 megawatts/hour); system for control and reduction of electric power consumption (beneficiary: Bucharest Electric Motor Enterprise, reducing consumption 30 percent); line for assembling outlets (beneficiary is the Titu Electric Fittings Installation Plant, with the economic effect being a 15-percent rise in labor productivity). Also worth mentioning are achievements in the radiocommunications area (equipment for receiving signals sent out by the Meteosat geostation weather satellite and others) and telecommunications (the telephone central for the Nuclear Power Center) and in other top areas of the national economy.

[MAGAZIN] What can you tell us about new and modernized technologies applied in production during this same period?

[Sandu] It is just as hard to create a comprehensive picture, since the number of these has risen to more than 1,100. So I shall list several recent technologies in an extremely selective way: the technology of sintering metal-diamond composites, the technology of producing metal carbides ends for tube bits, the technology for preassembly of clock components, the technology for producing stabilized cylinders of electrotechnically dried board for large transformers (beneficiary is the Craiova Electropower Plant), the technology and equipment for light maneuvering of locomotives and train cars on plant tracks and so forth. Also to be mentioned is the fact that continual activity is taking place in the Ministry of Electrotechnical Industry to extend the technological equipment and technologies which can be generalized and which are of high economic efficiency and quality level, with the number of these continually increasing as they are worked out. Publicizing of them is being done by regularly putting out catalogs of presentation.

[MAGAZIN] In conclusion, I would like you to refer to some long-range goals.

[Sandu] Among the main goals to be achieved in the coming period, we can mention the following: parallel lathe with numerical control, with possibilities of being included in the processing lines; turning and boring lathe with tool storage and milling holder; inductive transducers of high precision, the technology and equipment for measuring small passage holes without contact; cables for dry seismic exploration; suburban electric frames of 2,070 kilowatts; microswitch assembly lines; modernization of a series of motors for traction and drilling.

For the next 5-year plan the activity of scientific research and the introduction of new technology in the Ministry of the Electrotechnical Ministry will be oriented toward greater application in fulfilling the tasks in the national program to improve the organization and to modernize the production processes, taking action on a priority basis to assimilate technologies which will ensure improvement in the flows of manufacture with a view to increasing labor productivity and raising the level of quality. Action will continue to be taken to increase the safety aspect of certain equipment and machinery as well as components, correlated with reducing sizes and consumption of materials. Research units in the Central Institute for the Electrotechnical Industry will ensure a rise in the role of the top sectors such as machine tools, fine mechanics, electronics, electrotechnics, computer technology, also keeping in mind the program for advanced professional training of workers. Firm action is to be taken to continue developing machine tools and equipment which are highly productive, flexible systems and multifunctional automated lines, making electronic and electrotechnical equipment smaller by developing components which are broadly integrated and electrotechnical materials which would permit us to reach high

economic-technical parameters and increase participation in valuable international exchanges. Among products to be assimilated in the 1991-95 5-year plan, I mention milling machinery whose yoke is 1,000-3,100 mm high with tool storage and blade system; machinery for bevel gear-tooth system processing in a circular arc; processing centers with horizontal shafts to be integrated in manufacturing lines; high-resolution photoelectric incremental transducers, specialized installations for processing silicon plaquettes; timed electric motors with 200-1,800 kilowatts power and 750-1,500 rotations per minute, numerical command equipment for machine tools and others.

YUGOSLAVIA

Worsening Kosovo Economy Depletes SFRY Assets

90EB0056A Belgrade NIN in Serbo-Croatian
15 Oct 89 pp 16-17

[Article by Radosav Stojanovic: "The Exhaustion of Yugoslavia"; first paragraph is NIN introduction]

[Text] The latest figures show that for the first 6 months the Kosovo economy recorded a loss of around 300 billion dinars, which only adds to the previous—as yet uncovered—loss of more than 500 billion.

The Kosovo economic balance is primarily the result of the general strike in February and March, followed by idleness and everyday damage, sabotage and more strikes. Even in the past it was a known fact that the separatist movement, besides indoctrination and underground political struggle, has incessantly aspired to the economic exhaustion of Yugoslavia through various types of subversive activity. Still, not enough is said about the daily transfusion of \$1.2 million that Kosovo receives from the federal coffers and about the fact that its own accumulation is being ignored.

According to the figures heard at the latest meeting of the Council of the Confederation of Trade Unions of Kosovo, for the last 8 months industrial production in the province fell by 1.7 percent compared to the previous year, while productivity fell by 6.5 percent. Production is at a lower level than last year in 14 branches of industry, which account for 54 percent of total economic production. If we look at it in terms of enterprises, it is clear that the poorest results were achieved in collectives where the Albanian separatist movement is also most strongly pronounced, during the incidents last spring as well as later, and to this very day. Thus, it is no surprise, for example, that industrial capacity was utilized during that period at a level of only 65 percent.

Economic Counterrevolution

The most alarming situation is at "Trepca," where the production of ore fell 21 percent, the production of nonferrous metals dropped by 12 percent and processing declined by 15.4 percent compared to the 8-month

period last year. "Trepca" is one of the giants at which productivity in recent decades and years has experienced a dreadful slowdown. At a meeting of the trade unions of this organization, the director of the Sector for Planning and Economics, Tomislav Milasinovic, warned that production is stagnating despite a number of newly constructed capacities and contemporary technology. The parameters that he used are terrifying. In the mining industry, for example: In 1965, 28.13 tons of lead and zinc concentrate were produced for each worker, in 1975 21.70 tons per worker, with a drop in 1980 to 16.58 tons per worker. Last year, "Trepca" produced only 11.2 tons of ore concentrate per worker.

A similar trend has been seen in production and productivity in lead metallurgy—from 81.80 tons per worker in 1965 to 42.18 tons in 1988. In the Battery Industry, productivity has fallen from a total of 19,000 tons (and that is at half of total installed capacity) in 1985 to 11,000 tons per worker last year.

Milasinovic illustrates how this works at the Battery Industry with concrete figures. On 2 February 1989, during the Kosovo strikes, all 650 batteries assembled in the first shift were rejected. The next day as well, the entire output of the first shift (420 batteries) was rejected; on 6 March, 420 batteries were rejected; on 13 April, 500; on 18 May, 950; on 15 June, 1,300; on 21 June, 500; on 29 June, 500, etc.

What else can it mean if an entire day's or an entire shift's output of batteries is thrown into the refuse pile, other than that the economic counterrevolution is under way? After all, "Trepca's" battery industry is not wanting for skilled cadre. There are 66 employees with a college education, 72 with a high school education, 101 highly skilled workers, 585 skilled workers and 247 with intermediate qualifications. But nevertheless, business partners are increasingly losing confidence in the quality of "Trepca" batteries. Last year, for example, buyers from the USSR complained about 7,586 units, and that figure for the first 6 months of this year has been around 3,500 batteries. The value of the goods about which complaints were received last year reached the level of two trillion old dinars. Even "Red Flag" is having problems with "Trepca" batteries. There is no assurance of quality, nor has an agreement been reached on four types of batteries to be incorporated in the "Florida," "Lada," "Yugo" and several Czechoslovak cars that we are importing.

Bankruptcy of the Political Mainstay

The situation of the Kosovo economy today is reflected rather picturesquely by the case of the "Ramiz Sadiku" construction combine in Pristina. During a time when they should have been working and implementing a financial recovery program in order to somehow remain on the province's economic scene, the majority of the workers of Albanian nationality at "Ramiz Sadiku" demonstratively showed their support for the separatist demands coming from "Trepca's" Old

Market mine and from elsewhere. And before that, they had not been working for months... There were various motives for the strike. Thus, the giant Kosovo construction combine, with around 15,000 employees, has recently gone bankrupt. Those for whom it has been a political mainstay in pursuit of dubious goals for years have completely abandoned it, even though as a sort of pet enterprise in Kosovo it has long bypassed actual competition and received various jobs beyond its capabilities. Perhaps because it has perpetually enjoyed political protection, the managerial figures at "Ramiz Sadiku" were able to engage in various economic machinations, going so far as to openly plunder socially owned property, for which no one has ever taken responsibility. The managers and engineers at this combine have for the most part managed to cope, but it remains to be seen what will become of the enormous masses of workers, which include numerous participants in the most recent demonstrations in Kosovo.

An example that is the opposite of "Ramiz Sadiku" is the "Binacke Morave" construction collective in Gnjilane, which in recent years has not allowed itself to get caught up in the nationalistic trap of the Kosovo separatist leadership, even though that leadership has demanded that it do so. It has stayed out of all hostile activities, which is perhaps due most of all to the capable leadership of Zivko Cukic. It has maintained its economic integrity and reputation as a model collective, although the Kosovo leadership for years has attempted to eliminate it from the provincial scene, giving, always by directive, the biggest construction goodies to "Ramiz Sadiku."

The picture of the economic situation in Kosovo is rounded out by the fact that because of ongoing insolvency, financial recovery measures have been initiated for 122 enterprises, which employ around 43,000 workers and which owe 31.6 billion dinars in unfulfilled debts, while bankruptcy proceedings are under way at 12 enterprises. Amidst all this, it should be added that Kosovo's foreign debt, including interest, amounts to \$1.197 trillion, the principal of which (\$781 billion) is due and must be fully repaid by 1993. The foreign loans have been used to build hydrosystems, waterworks and railroads as well as for projects in metallurgy and the electric power industry and for the infrastructure. The greatest debtor is Kosovo Electric Power, whose debt with interest amounts to \$528.3 billion; it is followed by "Feroniki" in Glogovac, with \$219 billion, "Trepca" with \$197 billion, ZTO Pristina with \$52.9 billion, etc.

The foreign debt that has fallen due up to now has been paid off by the federation, since Kosovo has no money. This is why it is expected that the federation will continue to pay the remaining part. How else could Kosovo make it, when its economy during the first 6 months of this year realized total earnings of 13.794 trillion dinars, which is just 1.39 percent of the total earnings realized on the national level?

Separatist Dance

The directors and managers of individual enterprises who have been excluded from the League of Communists have been and still are attempting to stop, delay or impede for as long as possible (sometimes 2-3 months) changes at the helm of the organization by blocking the work of the workers councils and other self-management bodies, and during that time carrying out shifts in the cadre to safeguard people who will "appropriately" represent them. Rather frequently, they leave on the condition that they will have a better paying job or be able to go abroad, from whence they can in turn exert influence over the work of the collective.

Thus, it must be said that even a new and energetic provincial leadership should try to perceive the overall situation and rejuvenate the cadre in collectives, while at the same time the separatist leaders should quickly get accustomed to the new conditions, assigning different instructions and means of interference to their forces. Taking the position of greater Albanian separatism and nationalism is no longer permitted; we must accept the new political course, make a clean sweep and await our chance. There is no other way to explain the fact that those who defended the 1974 Constitution until quite recently are overnight becoming Yugoslav-oriented people on a new course, full of criticism for the old one. Ketman's spirit can still be heard....

In all the municipalities of Kosovo this fall, the directors excluded from the League of Communists are defending their easy chairs, frantically attempting to hold on to them as long as possible. During this period, complete reorganizations and cadre plans are being carried out in the enterprises. Naturally, their biggest help in this is the national division of the workers, and if their "case" even makes it to the workers council, the matter will be blocked there by excessive voting....

The actual state of affairs in terms of the differentiation as seen in Kosovo today by Serbs and Montenegrins but also by many Albanians was expressed at the meeting of the Provincial Committee of the League of Communists of Kosovo by Kosovo Polje lawyer Zivojin Martinovic, who said that those who have for all practical purposes moved out of Kosovo no longer deserve to be in functions in the province and republic and federation. In the same sense, before leaving the meeting, he protested the fact that seats on the Provincial Committee continue to be held by Vojislav Zajic, Kacusa Jasari, Jovan Bogicevic, Budislav Vujisic, Daut Jasanica, Ali Sabani, Camil Rasica, Hasan Berisa, Ragip Haljilji, Kolj Siroka and others. Martinovic's position before the Provincial Committee of the League of Communists of Kosovo was quickly supported by the Municipal Committee of the League of Communists and the veterans organization of Kosovo Polje.

The upcoming elections are an opportunity to finally settle up with the protagonists and pawns of the old policy. However, some of them are stubbornly attempting to jump on the new bandwagon.

Decline in Serbian Contribution to SFRY Social Product Noted

90EB0100A Belgrade POLITIKA in Serbo-Croatian
3 Nov 89 p 10

[Article by Dr Nebojsa Savic, senior associate of the Belgrade Economics Institute: "Why Serbia's Share Has Declined in Yugoslavia's Social Product"]

[Text] The economy of Serbia, just like the entire Yugoslav economy, confronts hyperinflation, which is threatening implementation of the economic reform. And that is why the fate of implementation of the economic reform is bound up with lowering inflation.

The pace of economic activity that has begun this year in both the economy of Serbia and the economy of Yugoslavia can be seen as a necessary, but still not sufficient condition for the final success of the reform. It is quite essential to bear in mind that high growth rates do not in and of themselves guarantee a restructuring of the economy.

The federal government faces very complicated tasks, and the readiness shown recently to put reins on inflation is encouraging. We would like to point out, however, that within the framework of the Serbian economy certain measures could be taken aimed at restructuring the economy and implementing the economic reform regardless of the extent to which they have already been encompassed by the package programs which the federal government is implementing or intends to undertake.

The economy of Serbia, as an integral part of the economy of Yugoslavia, has reached the turning point beyond which its development translates from negative to positive growth rates. To whatever extent that turnabout has been above all quantitative, in essence it represents a qualitative change. Above all because of the fact, and this has proven to be the case with a large number of countries, that the transition from negative to positive growth rates, however low they might be, represents a qualitative change in any economy. So it becomes particularly important to intensify further the process of restructuring of the Serbian economy in the process of the restructuring of the entire Yugoslav economy toward the basic goal of turning what is at present a still modest momentum into lasting dynamic behavior. The present dynamism needs to be turned into a new qualitative attribute of development. This can be achieved only with a restructured economy oriented toward exports.

Serbia's present economic structure is not flexible and does not adapt easily to change. What is more, it is also burdened with a "cumbersome" structure.

We note a significant difference in structure between the Serbian economy on the one hand and the most advanced regions of Yugoslavia on the other. This caused a drop of over 3 percent in Serbia's share in the social product of Yugoslavia over the period from 1976 to 1988. This occurred because branches with lower growth rates (those industries which are less propulsive and less oriented toward export) and sectors whose

growth rate of prices was less pronounced in relative terms were represented to a greater extent.

This can be best illustrated with the following figures: the price index in Slovenia over the period 1976-88 was 18 percent higher, and in Croatia it was 4 percent higher than in Yugoslavia, while in Serbia there was a slowing down of growth—prices rose 5 percent slower than the Yugoslav average. The erroneous conclusion that others made a greater contribution to inflation than we did should not be drawn from this, but rather the conclusion that the others were developing sectors and products which were better able to realize value on the market. The conclusion, then, would be that the economy of Serbia, as it enters its upward phase at the end of the eighties, should be restructured so that its structure has a higher proportion of those sectors whose products can realize the best value on the market in order to restore the share it once had in Yugoslavia's social product. In other words, to increase its share from the present 35 percent of the social product to at least 40 percent, which is what it was in the midseventies.

Along that road, there are three important support points for development on which the Serbian economy's future development as an integral part of the Yugoslav economy should be based:

FIRST, solving the problem of those enterprises which have been incurring large losses; SECOND, development of export-oriented branches of industry, which should guarantee maintenance of the rate of growth already initiated and a further intensification of it; and THIRD, development of those sectors in the economic structure which Serbia has to a greater extent today than other parts of Yugoslavia and which in the future period could be used as generators of additional development.

It is indispensable to the successful recovery of Serbia's economy to achieve microeconomic restructuring as well; this should be oriented primarily toward the large enterprises which have been losing money. The undertaking of a program for financial, economic, production, business, and market consolidation of enterprises that have been losing large amounts would create the preconditions for improving the performance of the Serbian economy. We have to emphasize in this connection that the initial steps have been taken, but are still not sufficient. The process that has begun of consolidating the Smederevo Metallurgical Combine and five large enterprises in Vojvodina which have been showing a loss represents that first step toward bringing about one of the essential preconditions for restructuring the economy of Serbia.

The concentration of future development of the Serbian economy should undoubtedly be aimed at developing export-oriented sectors which can guarantee full value for the resources Serbia possesses. It is particularly important here to develop those products which can find their place on the markets of the most advanced countries. The future dynamism of the economy and guaranteeing a maintainable growth over the long run are possible only if the

economy of Serbia, together with the Yugoslav economy, constantly adapts to changes in the world economy. It is not even of primary importance that our country become a full-fledged member of the EEC, but the case is rather that unless we become involved in those processes, we will soon be unable to even do business with them.

The development of those sectors which in the structure of the Serbian economy are represented to a greater extent than is the case in other parts of the country, especially the more advanced parts, is the third important point of support for development. This group of sectors includes those whose resources are available, but have not been sufficiently exploited. Use of those sectors could provide additional resources for the development of modern and export-oriented sectors which are less and less dependent on raw materials. The model of intensive investment in energy facilities and raw materials capacities which we have had up to now has not made it possible to realize the full value of the potential for at least the following two reasons: first, price disparities in relations between sectors have been detrimental to energy and raw materials inputs which Serbia possessed, and second, the energy and raw materials complexes are themselves not among the so-called profitable and propulsive sectors of the economy. However, when it comes to capacity already in place and when it is necessary to realize their full economic value, that is, increase the effectiveness of use of available productive capital, then the energy and raw materials capacities can prove to be even a comparative advantage, provided the necessary conditions are fulfilled for realizing their value through exporting sectors. In that context, we need to conduct a policy of optimization of energy and raw materials inputs and a further optimization of the consumption that already exists. That is, we need to initiate a process of cost-effective development. That would create room for satisfying the greater needs for energy carriers without any further very large development of the energy sector.

It is possible to guarantee a permanently maintainable growth of the Serbian economy as an integral part of the Yugoslav economy provided these three points of support for development—first, business consolidation of enterprises showing large losses, second, the orientation toward exports, and third, development based on those sectors whose economic value has not been sufficiently realized in the past—are fully affirmed.

1989 Corn Harvest Estimate Given

90EB0092A Belgrade *EKONOMSKA POLITIKA* in
Serbo-Croatian 16 Oct 89 p 33

[Text] The Federal Bureau of Statistics estimates that this year's corn harvest will be about 10.4 million tons, thereby surpassing last year's corn harvest by 2.7 million tons, i.e., 35 percent. The harvest on private farms would be about 8.5 million tons, and 1.9 million tons would be harvested on the plots of agricultural organizations.

The area planted to corn is 6,000 hectares greater than last year, and the anticipated yield would be 1.2 tons per hectare greater than last year.

The socialized sector expects to have an average yield of about 5.62 tons on its 285,000 hectares, while an average yield of 4.28 tons per hectare is anticipated on private farms (2 million hectares).

This year's harvest of sugar beets is estimated at 6.3 million tons, which is 1.7 million tons more than last year (an increase of 38 percent). The area planted to sugar beets is 12,000 hectares greater than last year, and it is expected that the yield will be greater than last year (the difference would be about 9.2 tons per hectare).

The production of sunflower seed this year should be about 437,000 tons, exceeding last year's harvest by 27,000 tons, or 6 percent. The area planted to sunflowers is smaller than last year (the difference is about 5,000 hectares), but the average yield is expected to be 180 kg per hectare higher than last year.

Cooperation in Building Wood Factory in USSR

90EB0092B Belgrade PRIVREDNI PREGLED in Serbo-Croatian 18 Oct 89 p 1

[Text] "Generaleksport" of Belgrade will build a chipboard and furniture factory in the Soviet Union worth about \$77 million. According to a "Geneks" announcement in Moscow, yesterday Milorad Savicevic, chairman of the business board of that Belgrade enterprise, signed a contract with the Norilsk Metallurgical Combine to build a furniture factory, along with a contract to purchase several products from the Siberian combine, whereby resources would be furnished to finance the factory. The value of the second contract is about \$100 million.

Many Yugoslav enterprises in the fields of project design, building contracting, wiring, heating and plumbing, and general equipment will take part in this project, which has a total value of about \$180 million in both directions. Among them, the most important participant is the work organization "Monter" of Zagreb.

'Artificial' Shortage of Gasoline Scored

90EB0092D Belgrade POLITIKA in Serbo-Croatian 24 Oct 89 p 9

[Article by M. Cebalovic: "The Artificial Shortage of Gasoline"]

[Text] The supply of petroleum products is better now than it was just before the weekend. This is confirmed by the shorter lines at the gasoline pumps.

In a few days, 400,000 tons of petroleum will arrive, but there is a question about who will purchase it and how it will be paid for. The people in the Association of the Yugoslav Petroleum Industry say that some solution will be found, and that we can expect an improvement in the supply on the market, which, to be sure, has not been

equally threatened. The greatest "drought" is in Bosnia-Herzegovina, while in Serbia gasoline could be obtained only after a wait of several hours.

The fears of consumers and the warnings from the petroleum industry that there would be no gasoline helped make the lines longer, and it is obvious that there are reserves, since fuel is reaching the pumps. It should be said that various information arriving from the refineries also contributed to the nervousness. For all these reasons, there is a warranted suspicion that petroleum and petroleum products are being concealed. Federal market inspectors, we have learned, went yesterday to refineries in Skopje and Bosanski Brod. We will soon learn what they found.

"So that there would not be shortages, a month ago INA [Petroleum and Refinery Sales Enterprise] asked federal authorities to allow intervention imports, but there still has been no response. Those petroleum products would be sold at wholesale at 50-percent higher prices," says Gojko Trifunovic of the Association of the Petroleum Industry.

The tankers expected in October can diminish the fear of shortages, which, if the problems of the petroleum industry (prices, losses...) are solved in a few days, will disappear altogether with the delivery of a million tons of petroleum planned for November. In explaining the dispute between the petroleum industry and the Federal Executive Council and the occurrence of the shortages, Stevan Santo, federal secretary for industry and energy, presented to the public something new that went unnoticed. He said that the petroleum industry people did not wait for help to come from the banks and the economy, but had been attempting through pressure and blackmail to solve problems which have been building up for some 10 years now. What does that mean?

Losses in the petroleum industry, which occurred because of the difference between costs and the recognized price, have reached almost 9,000 billion dinars. Because of them, the government of the SFRY is in a court suit with the petroleum industry. Many people have predicted that the government will make up for this through additional burdens added to the retail price of gasoline. That would make the prices of petroleum products insanely high, and in that way the government would merely be encouraging inflation in a fascinating way. Aware that the loss of the court suit is altogether certain, the federal administration, judging by Santo's statement, is announcing that this could be covered with resources from abroad.

The petroleum industry people obviously did not want to wait for that or did not know of that possibility, and they resorted to "upsetting the public." We have learned that these past several days there have not even been any talks between the petroleum industry and federal authorities, except insofar as the latter are represented by the inspectorates, so that these "broken telephones" have resulted in the kilometer-long lines and the several hours of waiting for gasoline. It seems to us that the Federal Executive Council has also "upset the public" by not reacting to the statements of the petroleum industry.

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